

## ARTICLE II

### HEALTH AND HUMAN SERVICES

Sec. 1. The several sums of money herein specified, or so much thereby as may be necessary, are appropriated out of any funds in the State Treasury not otherwise appropriated, or out of special funds as indicated, for the support, maintenance, or improvement of the designated health and human services agencies.

#### DEPARTMENT OF AGING AND DISABILITY SERVICES

	For the Years Ending	
	August 31, 2006	August 31, 2007
<b>Method of Financing:</b>		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 133,024,505	\$ 142,581,098
Earned Federal Funds	25,000	25,000
GR Match for Federal Funds (Older Americans Act)	3,701,265	3,694,199
GR Certified as Match for Medicaid	118,437,212	119,397,516
EFF - Match for Medicaid	10,921,013	12,211,757
* GR Match for Medicaid	1,665,894,792	1,628,120,200
Subtotal, General Revenue Fund	\$ 1,932,003,787	\$ 1,906,029,770
<u>General Revenue Fund - Dedicated</u>		
Home Health Services Account No. 5018	2,318,433	2,318,434
Texas Special Olympic License Plates Account No. 5055	2,244	2,244
Quality Assurance Account No. 5080	53,697,687	53,757,352
Texas Capital Trust Fund Account No. 543	139,802	139,803
Waiver Program Quality Assurance Fee Account, estimated	24,291,171	26,082,966
** Nursing Home Quality Assurance Fee Account, estimated	0	0
Subtotal, General Revenue Fund - Dedicated	\$ 80,449,337	\$ 82,300,799
Federal Funds	3,089,523,279	3,025,764,661
<u>Other Funds</u>		
Appropriated Receipts	1,479,189	1,478,784
MR Collections for Patient Support and Maintenance	17,083,747	17,093,624
MR Appropriated Receipts	855,107	855,338
MR Medicare Receipts	973,323	973,884
MR Revolving Fund Receipts	3,022,167	3,022,167
Interagency Contracts	21,073,861	21,077,138
Bond Proceeds - General Obligation Bonds	8,111,500	19,564,500
Subtotal, Other Funds	\$ 52,598,894	\$ 64,065,435
<b>Total, Method of Financing</b>	<b>\$ 5,154,575,297</b>	<b>\$ 5,078,160,665</b>
<b>Other Direct and Indirect Costs Appropriated</b>		
<b>Elsewhere in this Act</b>	<b>\$ 520,491</b>	<b>\$ 536,893</b>
<b>This bill pattern represents an estimated 99.9% of this agency's estimated total available funds for the biennium.</b>		
<b>Number of Full-Time-Equivalents (FTE):</b>	<b>14,607.4</b>	<b>14,653.5</b>
<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 6	\$141,000	\$141,000

\*Adjusted for House Bill 10 and Article II, Special Provisions, Sec. 54, which shifted funding for payment of August 2005 nursing facility and community center services from fiscal year 2006 to fiscal year 2005. General Revenue amounts equal \$62.2 million. Matching Federal Funds of \$85.8 million have also been excluded from the total above.

\*\*Authorizing legislation was not enacted and related rider (51) was vetoed by Governor. Nursing Home Quality Assurance Fee totaled \$438.6 million in General Revenue - Dedicated funds for the biennium. Matching Federal Funds of \$657.9 million have also been excluded from totals above.

# DEPARTMENT OF AGING AND DISABILITY SERVICES

(Continued)

## Items of Appropriation:

### A. Goal: LONG-TERM CARE CONTINUUM

	<b>A.1.1. Strategy:</b> INTAKE AND ACCESS	\$	38,804,433	\$	38,928,775
	Intake and Access to Services and Support.				
	<b>A.1.2. Strategy:</b> LTC FUNCTIONAL ELIGIBILITY	\$	65,251,081	\$	65,251,081
	Long Term Care Functional Eligibility.				
	<b>A.2.1. Strategy:</b> PRIMARY HOME CARE	\$	533,324,657	\$	589,969,366
	<b>A.2.2. Strategy:</b> COMMUNITY ATTENDANT SERVICES	\$	372,475,886	\$	410,860,003
	Community Attendant Services (Formerly Frail Elderly).				
	<b>A.2.3. Strategy:</b> DAY ACTIVITY & HEALTH SERVICES	\$	109,459,711	\$	117,636,198
	Day Activity and Health Services (DAHS).				
	<b>A.3.1. Strategy:</b> COMMUNITY-BASED ALTERNATIVES	\$	454,026,989	\$	503,106,651
	Community-based Alternatives (CBA).				
	<b>A.3.2. Strategy:</b> HOME AND COMMUNITY-BASED SERVICES	\$	413,386,000	\$	471,256,202
	Home and Community-based Services (HCS).				
	<b>A.3.3. Strategy:</b> COMMUNITY LIVING ASSISTANCE (CLASS)	\$	79,964,580	\$	98,654,722
	Community Living Assistance and Support Services (CLASS).				
	<b>A.3.4. Strategy:</b> DEAF-BLIND MULTIPLE DISABILITIES	\$	6,680,603	\$	7,352,976
	Deaf-Blind Multiple Disabilities (DBMD).				
	<b>A.3.5. Strategy:</b> MEDICALLY DEPENDENT CHILDREN PGM	\$	22,057,753	\$	32,583,755
	Medically Dependent Children Program (MDCP).				
	<b>A.3.6. Strategy:</b> CONSOLIDATED WAIVER PROGRAM	\$	3,804,701	\$	3,910,130
	<b>A.3.7. Strategy:</b> TEXAS HOME LIVING WAIVER	\$	20,136,474	\$	20,391,206
	<b>A.4.1. Strategy:</b> NON-MEDICAID SERVICES-TITLE XX	\$	74,406,589	\$	76,814,078
	Non-Medicaid Services - Title XX.				
	<b>A.4.2. Strategy:</b> NON-MEDICAID SERVICES - GR	\$	2,522,163	\$	2,522,163
	Non-Medicaid Services - General Revenue.				
*	<b>A.4.3. Strategy:</b> MR COMMUNITY SERVICES	\$	91,041,513	\$	96,341,749
	Mental Retardation Community Services.				
*	<b>A.4.4. Strategy:</b> MR COMMUNITY SERVICES RESIDENTIAL	\$	4,395,599	\$	4,595,600
	Mental Retardation Community Services Residential.				
	<b>A.4.5. Strategy:</b> PROMOTING INDEPENDENCE PLAN	\$	1,300,000	\$	1,300,000
	Promoting Independence through Outreach, Awareness, and Relocation.				
	<b>A.4.6. Strategy:</b> NUTRITION SERVICES	\$	35,919,438	\$	35,919,438
	<b>A.4.7. Strategy:</b> SERVICES-ASSIST INDEPENDENT LIVING	\$	20,141,450	\$	20,141,450
	Services to Assist Independent Living.				
	<b>A.4.8. Strategy:</b> IN-HOME AND FAMILY SUPPORT	\$	4,168,527	\$	4,168,527
	<b>A.4.9. Strategy:</b> MENTAL RETARDATION IN-HOME SERVICES	\$	5,000,000	\$	5,000,000
	<b>A.5.1. Strategy:</b> ALL-INCLUSIVE CARE - ELDERLY (PACE)	\$	24,563,542	\$	24,563,542
	Program of All-inclusive Care for the Elderly (PACE).				
**	<b>A.6.1. Strategy:</b> NURSING FACILITY PAYMENTS	\$	1,562,787,060	\$	1,187,510,020
	<b>A.6.2. Strategy:</b> MEDICARE SKILLED NURSING FACILITY	\$	126,368,782	\$	139,470,472
***	<b>A.6.3. Strategy:</b> HOSPICE	\$	125,885,888	\$	135,363,309
	<b>A.6.4. Strategy:</b> PROMOTING INDEPENDENCE SERVICES	\$	65,538,125	\$	78,684,029
	Promote Independence by Providing Community-based Client Services.				

\*Appropriation levels adjusted for enactment of House Bill 10 (payment for August 2005 services).

\*\*Appropriation levels adjusted for enactment of House Bill 10 (payment for August 2005 services).  
Appropriation levels adjusted for non-enactment of Nursing Home Quality Assurance Fee.

\*\*\*Appropriation levels adjusted for non-enactment of Nursing Home Quality Assurance Fee.

DEPARTMENT OF AGING AND DISABILITY SERVICES  
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<b>A.7.1. Strategy:</b> INTERMEDIATE CARE FACILITIES						
- MR	\$	387,914,772	\$	387,914,775		
Intermediate Care Facilities - Mental Retardation (ICF/MR).						
<b>A.8.1. Strategy:</b> MR STATE SCHOOLS SERVICES			\$	390,704,961	\$	392,703,892
<b>A.9.1. Strategy:</b> CAPITAL REPAIRS AND RENOVATIONS			\$	8,251,302	\$	19,704,303
						& UB
<b>Total, Goal A:</b> LONG-TERM CARE CONTINUUM			\$	5,050,282,579	\$	4,972,618,412
<b>B. Goal:</b> LICENSING, CERTIFICATION & OUTREACH						
Licensing, Certification, and Outreach.						
<b>B.1.1. Strategy:</b> LTC FACILITY REGULATION			\$	50,721,023	\$	50,721,023
Long-Term Care Facility Regulation.						
<b>B.1.2. Strategy:</b> LTC CREDENTIALING			\$	985,719	\$	985,719
Long-Term Care Credentialing.						
<b>B.1.3. Strategy:</b> LTC QUALITY OUTREACH			\$	4,784,511	\$	4,784,511
Long-Term Care Quality Outreach.						
<b>Total, Goal B:</b> LICENSING, CERTIFICATION & OUTREACH			\$	56,491,253	\$	56,491,253
<b>C. Goal:</b> INDIRECT ADMINISTRATION						
<b>C.1.1. Strategy:</b> CENTRAL ADMINISTRATION			\$	26,433,394	\$	26,285,539
<b>C.1.2. Strategy:</b> IT PROGRAM SUPPORT			\$	12,216,374	\$	13,613,762
Information Technology Program Support.						
<b>C.1.3. Strategy:</b> OTHER SUPPORT SERVICES			\$	9,151,697	\$	9,151,699
<b>Total, Goal C:</b> INDIRECT ADMINISTRATION			\$	47,801,465	\$	49,051,000
<b>Grand Total, DEPARTMENT OF AGING AND DISABILITY SERVICES</b>			\$	5,154,575,297	\$	5,078,160,665
<b>Object-of-Expense Informational Listing:</b>						
Salaries and Wages	\$	372,214,951	\$	373,080,420		
Other Personnel Costs		17,801,287		17,831,364		
Professional Fees and Services		12,623,862		14,986,918		
Fuels and Lubricants		607,639		607,645		
Consumable Supplies		10,358,438		10,676,644		
Utilities		14,207,641		13,782,112		
Travel		6,077,945		6,077,955		
Rent - Building		8,177,286		8,196,836		
Rent - Machine and Other		4,342,182		5,754,214		
Other Operating Expense		115,188,923		118,626,905		
Client Services		4,387,269,290		4,289,111,117		
Food for Persons - Wards of State		7,543,224		7,568,224		
Grants		180,613,870		186,156,697		
Capital Expenditures		17,548,759		25,703,614		
<b>Total, Object-of-Expense Informational Listing</b>	\$	5,154,575,297	\$	5,078,160,665		
<b>Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:</b>						
<u>Employee Benefits</u>						
Retirement	\$	27,853,828	\$	27,947,567		
Group Insurance		101,028,844		109,819,180		
Social Security		34,792,235		35,488,079		
Benefits Replacement		6,169,923		6,066,947		
<b>Subtotal, Employee Benefits</b>	\$	169,844,830	\$	179,321,773		

\*Appropriation levels adjusted for non-enactment of Nursing Home Quality Assurance Fee.

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<u>Debt Service</u>			
TPFA GO Bond Debt Service	\$	13,419,027	\$ 14,722,090
Lease Payments		419,933	477,589
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Subtotal, Debt Service	\$	13,838,960	\$ 15,199,679
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<b>Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act</b>			
	\$	183,683,790	\$ 194,521,452

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of Aging and Disability Services. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Aging and Disability Services. In order to achieve the objectives and service standards established by this Act, the Department of Aging and Disability Services shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2006</u>	<u>2007</u>
<b>A. Goal: LONG-TERM CARE CONTINUUM</b>		
<b>Outcome (Results/Impact):</b>		
Percent of Long-term Care Clients Served in Community Settings	73.2%	74.4%
Average Number of Clients Served Per Month: Medicaid Non-waiver Community Care	137,047	147,874
Average Number of Clients Served Per Month: Total Non-Medicaid Community Care	29,222	29,222
Average Number of Days Mental Retardation (MR) Campus Residents Recommended for Community Placement Wait for Placement	120	120
Number of Consumers with Mental Retardation (MR) Who Moved from Campus to Community	84	84
<b>A.1.1. Strategy: INTAKE AND ACCESS</b>		
<b>Output (Volume):</b>		
Average Monthly Number of Consumers with Mental Retardation (MR) Receiving Assessment and Service Coordination	11,490	11,490
<b>A.1.2. Strategy: LTC FUNCTIONAL ELIGIBILITY</b>		
<b>Output (Volume):</b>		
Average Number of Persons Eligible Per Month: Community Care	188,218	202,744
<b>A.2.1. Strategy: PRIMARY HOME CARE</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Primary Home Care	68,904	74,749
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Primary Home Care	642.07	649.06
<b>A.2.2. Strategy: COMMUNITY ATTENDANT SERVICES</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Community Attendant Services	49,206	53,156
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Community Attendant Services	627.41	634.25
<b>A.2.3. Strategy: DAY ACTIVITY &amp; HEALTH SERVICES</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Day Activity and Health Services	18,937	19,969
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Day Activity and Health Services	481.92	491.61
<b>A.3.1. Strategy: COMMUNITY-BASED ALTERNATIVES</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Medicaid Community-based Alternatives (CBA) Waiver	26,867	28,401
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Medicaid Community-based Alternatives (CBA) Waiver	1,387.04	1,430.82
<b>A.3.2. Strategy: HOME AND COMMUNITY-BASED SERVICES</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Home and Community Based Services (HCS)	9,744	11,194

DEPARTMENT OF AGING AND DISABILITY SERVICES

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<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Home and Community Based Services (HCS)	3,500.77	3,501.5
<b>A.3.3. Strategy: COMMUNITY LIVING ASSISTANCE (CLASS)</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Medicaid Related Conditions Waiver (CLASS)	2,228	3,049
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Medicaid Related Conditions Waiver (CLASS)	3,293.61	3,394.47
<b>A.3.4. Strategy: DEAF-BLIND MULTIPLE DISABILITIES</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Medicaid Deaf-blind with Multiple Disabilities Waiver	148	156
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Medicaid Deaf-blind with Multiple Disabilities Waiver	3,671.62	3,671.62
<b>A.3.5. Strategy: MEDICALLY DEPENDENT CHILDREN PGM</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Medically Dependent Children Program	1,320	1,993
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Medically Dependent Children Program	1,419.96	1,419.96
<b>A.3.7. Strategy: TEXAS HOME LIVING WAIVER</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Texas Home Living Waiver	2,811	2,823
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Texas Home Living Waiver	586.62	586.62
<b>A.4.1. Strategy: NON-MEDICAID SERVICES-TITLE XX</b>		
<b>Output (Volume):</b>		
Average Number of Clients Served Per Month: Non-Medicaid Community Care (XX)	12,952	12,952
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Non-Medicaid Community Care (XX)	486.3	486.3
<b>A.4.3. Strategy: MR COMMUNITY SERVICES</b>		
<b>Output (Volume):</b>		
Average Monthly Number of Consumers with Mental Retardation (MR) Receiving Community Services	10,137	10,137
<b>A.4.4. Strategy: MR COMMUNITY SERVICES RESIDENTIAL</b>		
<b>Output (Volume):</b>		
Average Monthly Number of Non-Medicaid Consumers with Mental Retardation (MR) Receiving Community Residential Services	95	95
<b>Efficiencies:</b>		
Average Monthly Cost Per Non-Medicaid Customer with Mental Retardation (MR) Receiving Community Residential Services	3,431	3,431
<b>A.4.6. Strategy: NUTRITION SERVICES</b>		
<b>Output (Volume):</b>		
Number of Congregate Meals Served	3,963,660	3,941,792
Number of Home-delivered Meals Served	4,173,305	4,169,197
<b>A.4.8. Strategy: IN-HOME AND FAMILY SUPPORT</b>		
<b>Output (Volume):</b>		
Average Number of Clients Per Month Receiving In-home Family Support (IHFS)	3,364	3,364
<b>Efficiencies:</b>		
Average Monthly Cost of In-home Family Support Per Client	102.19	102.19
<b>A.4.9. Strategy: MENTAL RETARDATION IN-HOME SERVICES</b>		
<b>Output (Volume):</b>		
Number of Consumers with Mental Retardation (MR) Receiving In-Home and Family Support Per Year	2,674	2,674
<b>Efficiencies:</b>		
Average Annual Grant Per Consumer with Mental Retardation (MR) Receiving In-home and Family Support Per Year	1,690.19	1,690.19

DEPARTMENT OF AGING AND DISABILITY SERVICES  
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<b>A.5.1. Strategy:</b> ALL-INCLUSIVE CARE - ELDERLY (PACE)		
<b>Output (Volume):</b>		
Average Number of Recipients Per Month: Program for All Inclusive Care (PACE)	877	877
<b>Efficiencies:</b>		
Average Monthly Cost Per Recipient: Program for All Inclusive Care (PACE)	2,334.05	2,334.05
<b>A.6.1. Strategy:</b> NURSING FACILITY PAYMENTS		
<b>Output (Volume):</b>		
Average Number of Clients Receiving Medicaid - Funded Nursing Facility Services per Month	59,764	60,172
<b>Efficiencies:</b>		
Net Nursing Facility Cost Per Medicaid Resident Per Month	2,869.01	2,869.68
<b>A.6.2. Strategy:</b> MEDICARE SKILLED NURSING FACILITY		
<b>Output (Volume):</b>		
Average Number of Clients Receiving Copaid Medicaid/Medicare Nursing Facility Services Per Month	6,486	6,831
<b>Efficiencies:</b>		
Net Payment Per Client for Copaid Medicaid/Medicare Nursing Facility Services Per Month	1,623.61	1,701.44
<b>A.6.3. Strategy:</b> HOSPICE		
<b>Output (Volume):</b>		
Average Number of Clients Receiving Hospice Services Per Month	4,916	5,203
<b>Efficiencies:</b>		
Average Net Payment Per Client Per Month for Hospice	2,419.45	2,443.11
<b>A.6.4. Strategy:</b> PROMOTING INDEPENDENCE SERVICES		
<b>Output (Volume):</b>		
Average Number of Promoting Independence Clients Served Per Month	4,098	4,756
<b>Efficiencies:</b>		
Average Monthly Cost Per Client Served: Promoting Independence	1,387.04	1,430.82
<b>A.7.1. Strategy:</b> INTERMEDIATE CARE FACILITIES - MR		
<b>Output (Volume):</b>		
Average Number of Persons in ICF/MR Medicaid Beds Per Month	7,308	7,308
<b>Efficiencies:</b>		
Monthly Cost Per ICF/MR Medicaid Eligible Consumer	4,384.91	4,384.91
<b>A.8.1. Strategy:</b> MR STATE SCHOOLS SERVICES		
<b>Output (Volume):</b>		
Average Monthly Number of Mental Retardation (MR) Campus Residents	5,007	5,011
<b>Efficiencies:</b>		
Average Monthly Cost Per Mental Retardation (MR) Campus Resident	6,502.65	6,530.7
<b>B. Goal:</b> LICENSING, CERTIFICATION & OUTREACH		
<b>Outcome (Results/Impact):</b>		
Percent of Facilities Complying with Standards at Time of Inspection for Licensure and/or Medicare/Medicaid Certification	74.92%	74.92%
<b>B.1.1. Strategy:</b> LTC FACILITY REGULATION		
<b>Output (Volume):</b>		
Total Dollar Amount Collected from Fines	3,681,452.48	3,681,452.48
<b>B.1.2. Strategy:</b> LTC CREDENTIALING		
<b>Output (Volume):</b>		
Number of Licenses Issued or Renewed Per Year: Nursing Facility Administrators	980	1,220
<b>2. Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.		

**DEPARTMENT OF AGING AND DISABILITY SERVICES**  
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	<u>2006</u>	<u>2007</u>
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Repairs of State Owned Bond Homes and State Schools	\$ 8,251,302	\$ 19,704,303 & UB
b. Acquisition of Information Resource Technologies		
(1) Replacement of Information Resource Technologies	633,626	633,626
(2) Computers / Telecommunications Items (MLPP)	3,300,000	UB
(3) TILES to RUGS	0	0
Total, Acquisition of Information Resource Technologies	\$ 3,933,626	\$ 633,626
c. Transportation Items		
(1) Replacement of Transportation Items (MLPP)	800,000	UB
d. Acquisition of Capital Equipment and Items		
(1) Replacement of Furniture and Equipment (MLPP)	2,400,000	UB
e. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Payments to Master Lease Purchase Program (Utility Savings)	1,367,754	2,383,822
Total, Capital Budget	\$ 16,752,682	\$ 22,721,751

Method of Financing (Capital Budget):

<u>General Revenue Fund</u>		
General Revenue Fund	\$ 8,157,334	\$ 2,673,402
GR Match for Medicaid	67,000	67,000
Subtotal, General Revenue Fund	\$ 8,224,334	\$ 2,740,402
<u>General Revenue Fund - Dedicated</u>		
Texas Capital Trust Fund Account No. 543	139,802	139,803
Subtotal, General Revenue Fund - Dedicated	\$ 139,802	\$ 139,803
Federal Funds	277,046	277,046
Bond Proceeds - General Obligation Bonds	8,111,500	19,564,500
Total, Method of Financing	\$ 16,752,682	\$ 22,721,751

**3. Medical Assistance Payments.** General revenue funds appropriated herein above for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2006 to fiscal year 2007, and such funds are appropriated to the department for the 2006-07 biennium.

**4. Appropriation of Local Funds.** All funds received by the department from counties, cities, and from any other local source and all balances from such sources as of August 31, 2005, are hereby appropriated for the biennium ending August 31, 2007, for the purpose of carrying out the provisions of this Act.

**5. Nursing Home Program Provisions.**

- a. Nursing Home Income Eligibility Cap. It is the intent of the Legislature that the income eligibility cap for nursing home care shall be maintained at the federal maximum level of 300 percent of Supplemental Security Income (SSI).

\*Appropriation levels adjusted for non-enactment of Nursing Home Quality Assurance Fee.

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- b. Limitation of Per Day Cost of Alternate Care.
    - (1) Subject to the exception in (2), no funds shall be expended by the Department of Aging and Disability Services for alternate care where the cost per patient per day exceeds the average Medicaid Nursing or ICF-MR Facility rate or the patient's nursing or ICF-MR facility rate, whichever is greater, except for cases individually exempted by the Commissioner of the Department of Aging and Disability Services.
    - (2) The department may not disallow or jeopardize community services for individuals currently receiving services under Medicaid waivers if those services are required for that individual to live in the most integrated setting, the reimbursement rate paid for needed services does not exceed 133.3 percent of the reimbursement rate that would have been paid for that same individual to receive comparable services in an institution over a twelve month period, and the department continues to comply with cost-effectiveness requirements from the Centers for Medicare and Medicaid Service.
    - (3) The department shall "grandfather" on September 1, 2003 those individuals receiving services in a medical assistance waiver program, under authority granted in the Department of Human Services's budget rider 7 in the 2004-05 General Appropriations Act, Seventy-eighth Legislature, when continuation of these services is necessary for the individual to live in the most integrated setting appropriate to his/her needs and the department continues to comply with the cost-effectiveness requirements from the Centers for Medicare and Medicaid Service.
  - c. Establishment of a Swing-bed Program. Out of the funds appropriated above for nursing home vendor payments, the department shall maintain a "swing-bed" program, in accordance with federal regulations, to provide reimbursement for skilled nursing patients who are served in hospital settings in counties with a population of 100,000 or less. If the swing beds are used for more than one 30-day length of stay per year per patient, the hospital must comply with the regulations and standards required for nursing home facilities.
  - d. Nursing Home Bed Capacity Planning. It is the intent of the Legislature that the department shall establish by rule procedures for controlling the number of Medicaid beds and for the decertification of unused Medicaid beds and for reallocating some or all of the decertified Medicaid beds. The procedures shall take into account a facility's occupancy rate.
  - e. Nursing Facility Competition. It is the intent of the Legislature that the department encourage competition among contracted nursing facilities.
6. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the General Revenue Funds appropriated above is \$2,660,000 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.021. Any amounts above \$2,660,000 are hereby appropriated to the department in amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.
7. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the Nursing Facility Administrator program in Strategy B.1.2, Long Term Care Credentialing, and the Home Health and Community Support Services Agencies program in Strategy B.1.1, Long Term Care Facility Regulation, as well as the "other direct and indirect costs" associated with this program, appropriated elsewhere in this Act. Direct costs for the Nursing Facility Administrator program are estimated to be \$234,393 for fiscal year 2006 and \$234,393 for fiscal year 2007. Direct costs for the Home and Community Support Services Agencies program are estimated to be \$2,065,119 for fiscal year 2006 and \$2,065,120 for fiscal year 2007. "Other direct and indirect costs" for the Nursing Facility Administrator program are estimated to be \$76,243 for fiscal year 2006 and \$78,644 for fiscal year 2007. "Other direct and indirect costs" for the Home and Community Support Services Agencies program are estimated to be \$444,248 for fiscal year 2006 and \$458,249 for fiscal year 2007. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.



**DEPARTMENT OF AGING AND DISABILITY SERVICES**  
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8. **Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Aging and Disability Services is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include, but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for quarterly allocations of these costs to the original strategies.
9. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from the Department of Aging and Disability Services Fund No. 117. The initial deposit of federal funds shall be made into Fund No. 117 and no direct expenditures shall be made from this fund.
10. **Pediatric Care in Nursing Facilities.** In determining the appropriate placement for children who currently receive care in nursing facilities, the department shall, within the requirements of federal law, consider the requests of parents concerning either a continued stay in a nursing facility providing skilled pediatric care or an alternate placement.
11. **Limitation: Medicaid Transfer Authority.** Notwithstanding the transfer provisions in the general provisions (general transfer provisions) of this Act, none of the funds appropriated by this Act to the Department of Aging and Disability Services for the following Medicaid Strategies:
- a. A.1.1. Intake and Access to Services and Support;
  - b. A.1.2. Long Term Care Functional Eligibility;
  - c. A.2.1. Primary Home Care;
  - d. A.2.2. Community Attendant Services (formerly Frail Elderly);
  - e. A.2.3. Day Activity and Health Services (DAHS);
  - f. A.3.1. Community-based Alternatives (CBA);
  - g. A.3.2. Home and Community-based Services (HCS);
  - h. A.3.3. Community Living Assistance and Support Services (CLASS);
  - i. A.3.4. Deaf-Blind Multiple Disabilities (DBMD);
  - j. A.3.5. Medically Dependent Children Program (MDCP);
  - k. A.3.6. Consolidated Waiver Program;
  - l. A.3.7. Texas Home Living Waiver;
  - m. A.5.1. Program of All-inclusive Care for the Elderly (PACE);
  - n. A.6.1. Nursing Facility Payments;
  - o. A.6.2. Medicare Skilled Nursing Facility;
  - p. A.6.3. Hospice;
  - q. A.6.4. Promoting Independence Services;
  - r. A.7.1. Intermediate Care Facilities - Mental Retardation (ICF/MR); and
  - s. B.1.1. Long-Term Care Facility Regulation

may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor. However, transfers may be made between Medicaid Strategies in accordance with other provisions in this Act, including the general transfer provisions.

12. **Other Reporting Requirements.**

- a. **Federal Reports.** The Department of Aging and Disability Services shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government:
- (1) Notification of proposed State Plan amendments or waivers for strategies in Goal A. Long-term Care Continuum and any other federal grant requiring a state plan. State Plan amendments and waiver submission shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committees.
  - (2) A copy of each report or petition submitted to the federal government relating to Goal A. Long-term Care Continuum.

## DEPARTMENT OF AGING AND DISABILITY SERVICES

(Continued)

- b. **Federal Issues.** The Department of Aging and Disability Services shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more than \$1 million in federal revenue assumed in the appropriations act.
- c. **Monthly Financial Reports.** The Department of Aging and Disability Services shall submit the following information to the Legislative Budget Board and the Governor on a monthly basis:
  - (1) Information on appropriated, budgeted, expended, and projected funds, by strategy and method of finance.
  - (2) Narrative explanations of significant budget adjustments, ongoing budget issues, and other items as appropriate.
  - (3) Any other information requested by the Legislative Budget Board or the Governor.

The monthly financial reports shall be prepared in a format specified by the Legislative Budget Board.

### 13. Earned Federal Funds.

- a. The Department of Aging and Disability Services shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.
- b. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended balances of earned federal funds remaining as of August 31, 2005 (estimated to be \$2,235,255), and receipts earned in fiscal years 2006 and 2007.

### 14. Revolving Account for the Consolidated Health and Human Services Print Shop.

It is the intent of the Legislature that the Department of Aging and Disability Services establish and maintain the "Revolving Account for the Consolidated Health and Human Services Print Shop" to account for the expenditures, revenues, and balances of managing a full-cost recovery Consolidated Print Shop. The expenditures, revenues, and balances included above for this operation shall be maintained separately by the Department of Aging and Disability Services within its accounting system. Any unobligated balances as of August 31, 2006, are appropriated for the same use during fiscal year 2007. For the purpose of meeting cash flow needs, the Department of Aging and Disability Services may temporarily transfer funds from Strategy C.1.3, Other Support Services, to the revolving account. Transfers must be returned by the end of the fiscal year.

### 15. Appropriation Transfer Between Fiscal Years.

In addition to the transfer authority provided elsewhere in this Act, the Department of Aging and Disability Services may transfer appropriations made for fiscal year ending August 31, 2007 to fiscal year ending August 31, 2006, subject to the following conditions provided by this section:

- a. Transfers under this section may be made only:
  - (1) If costs associated with providing Long Term Care Medicaid services exceed the funds appropriated for these services for fiscal year 2006, or
  - (2) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.
  - (3) if appropriated receipts generated through the MR related programs required to fund appropriations contained in this Act for fiscal year 2006 are less than those contained in the method of finance for the department for fiscal year 2006.
- b. Transfers may not exceed \$50,000,000 in general revenue.
- c. A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board.

**DEPARTMENT OF AGING AND DISABILITY SERVICES**  
(Continued)

- d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.
- 16. Reimbursement of Advisory Committees.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, not to exceed \$8,000 per fiscal year is limited to the following advisory committee:
- Nursing Facility Administrators Advisory Committee
- To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.
- 17. Survey of Nursing Facility Residents.** Out of funds appropriated above, the Department of Aging and Disability Services is allocated
- a. Up to \$360,000 in All Funds, of which up to \$180,000 is General Revenue Funds, in fiscal year 2006 to conduct surveys of nursing facility residents and individuals receiving other long-term services and supports. The surveys shall assess how satisfied individuals are with their quality of care and quality of life. Not later than January 15, 2007, the department shall submit a written report on the survey to the Legislature, Governor, and Health and Human Services Commissioner; and
- b. Up to \$1,000,000 in All Funds, of which up to \$500,000 is General Revenue Funds, to perform on-site case reviews of the care of nursing home residents and individuals receiving other long-term care services and supports. These reviews will identify preventable occurrences of adverse outcomes. The result of these reviews will be included in the report to the Legislature, Governor and Health and Human Services Commissioner described in (a) above.
- 18. Promoting Independence-Client Services.** It is the intent of the Legislature that as clients relocate from nursing facilities to community care services, funds will be transferred from Nursing Facilities to Community Care Services to cover the cost of the shift in services.
- 19. Nursing Facility Beds for Medicaid Eligible Veterans.** Contingent upon a request from the Texas Veterans Land Board, it is the intent of the Legislature that the Department of Aging and Disability Services maintain a program for Medicaid-eligible veterans that will enable those individuals to be placed in State Veterans Homes. It is further the intent of the Legislature that the department amend its nursing facility bed allocation rules to create sufficient certified beds to accommodate the requirements of such a program.
- 20. Centers of Excellence.** It is the intent of the Legislature that out of amounts appropriated above to Strategy B.1.1, Long-Term Care Facility Regulation, and funds obtained through a grant from a national foundation, the Department of Aging and Disability Services shall allocate funds for a Centers for Excellence program. The department shall partner with an institution of higher education to promote positive outcomes for the residents of Long-Term Care facilities, identify best practices and improve service delivery. Not later than January 15, 2007, the department shall submit to the Legislature and the Governor a report which identifies progress made towards achieving these goals.
- 21. Payment of August 2007 Payments for MR Community Services.** Funds appropriated above include a reduction of \$5,300,000 in General Revenue Funds to Strategy A.4.3, Mental Retardation Community Services, and \$200,000 in General Revenue Funds to Strategy A.4.4, Mental Retardation Community Services Residential, for fiscal year 2007. The Department of Aging and Disability Services is authorized to defer the August 2007 payments to MR community centers until September of 2007.
- 22. Community Care Services.** It is the intent of the Legislature that the Department of Aging and Disability Services shall maintain a community care assessment tool that focuses primarily on a client's ability to perform functional tasks.

## DEPARTMENT OF AGING AND DISABILITY SERVICES

(Continued)

23. **Maximization of Community Care Services.** The Department of Aging and Disability Services shall maximize services utilizing the most efficient and effective combination of functional needs score and hours of service to best meet the needs of community care clients. It is the intent of the Legislature that the department utilize all available flexibility to ensure the maximization of community care resources.
24. **Limitation on MR State School Strategy Transfers.** The transfer of appropriations from Strategy A.8.1, MR State Schools Services, to any other strategy is limited to 5 percent without the prior approval of the Legislative Budget Board and the Governor.
25. **State School Medicaid Revenues.** Pursuant to Article IX, Sec 6.11, Benefits Paid Proportional by Funds, payment for salaries, wages, and benefits for ICF/MR state school employees shall be proportional to the source of funds. The department shall develop a plan for the 2006-07 biennium which identifies the appropriate portion of state and federal funds for salaries, wages, and benefits for ICF/MR state school employees. This plan is subject to review by the Comptroller of Public Accounts and the Legislative Budget Board and shall be certified by the CFO of the department by October 1, 2005 prior to submission to the Legislative Budget Board.

The Department of Aging and Disability Services shall report quarterly to the Legislative Budget Board and the Governor on the distribution of ICF/MR state school revenues to other state agencies. This report shall be submitted no later than 25 days after the close of each quarter. The format and content of the report shall be prescribed by the Legislative Budget Board.

26. **Home and Community-Based Services (HCS) Waiver Program.** The department shall ensure the cost-effectiveness of the HCS program by limiting the average annual HCS expenditure per client to 80 percent of the average annual per client ICF-MR expenditure. Expenditures for individual clients may exceed this cap as long as the overall average expenditure for HCS clients remains below 80 percent of the ICF-MR annual average. Furthermore, it is the intent of the Legislature that, in order to increase the number of clients served, the overall average monthly expenditure per client may not exceed \$3,508 per month in fiscal years 2006 and 2007. The Department of Aging and Disability Services and the Health and Human Services Commission shall report to the Legislative Budget Board and Governor by October 1 of each year of the biennium, on the measures taken to decrease the average cost per person and to increase the number of clients served in the HCS program.
27. **MR Residential Services Funded by General Revenue.** The Department of Aging and Disability Services shall refinance, with Medicaid funding, mental retardation residential services to Medicaid-eligible clients that are currently funded with general revenue. This refinancing effort shall include both public and private general revenue-funded programs. The department shall accomplish this refinancing through the use of Medicaid waiver programs, or, if necessary, the Intermediate Care Facility for the Mentally Retarded program. The department shall submit a report by October 1 of each year of the biennium to the Legislative Budget Board and the Governor that documents the number of persons and residential sites converted to Medicaid funding. The format of this report shall be prescribed by the Legislative Budget Board.
28. **State School Funding.** It is the intent of the Legislature that the department implement a single funding methodology for state schools which funds all state schools equitably and at a level which is adequate to maintain compliance with applicable federal standards. The methodology should be based on the number of residents in each school and the needs of those residents.
29. **Use of Timber Receipts for Capital Projects.** The Department of Aging and Disability Services is hereby authorized to sell timber located on department land. Revenues generated from the sale of timber, estimated at zero for the biennium, shall be deposited into the Texas Capital Trust Fund Account No. 543.
30. **State School Funding and Staffing Levels.** It is the intent of the Legislature that funding for state schools shall be based on the number of residents in each state school at the beginning of the fiscal year and the needs of those residents. Staffing patterns at state schools shall not reflect a census decline until a campus has realized a decline in census.

**DEPARTMENT OF AGING AND DISABILITY SERVICES**  
(Continued)

- 31. Disposition of Construction Appropriation Related to Mental Retardation.** Construction appropriations may be used to pay salaries and travel expenses of department engineers and architects and administrative expenses of construction projects (but shall not exceed \$300,000 in a fiscal year that are paid out of G.O. Bonds); architect's and engineer's fees; and the actual travel expenses incurred by them or their representatives in making trips of inspection at the discretion of the department during construction, renovation, or repair of buildings and systems or the installation of fixed equipment. Job titles and rates of pay for such salaried positions of department personnel paid from construction appropriations shall conform with the Position Classification Plan and Classification Salary Schedule.
- 32. Mexia State School Medicaid-decertified Beds.** It is the intent of the Legislature that all funds appropriated in Strategy A.8.1, MR State Schools Services, to fund beds at Mexia State School that have been decertified from Medicaid and related costs shall be distributed to Mexia State School.
- 33. Unexpended Construction Balances.** Any unexpended construction, repair, or renovation balances from previous appropriations, estimated to be \$1,590,000 from fiscal year 2005 to fiscal year 2006 and included in the method of finance above as General Obligation Bond proceeds and in Strategy A.9.1, Capital Repairs and Renovations, are hereby appropriated to the Department of Aging and Disability Services for the same purposes. At least 45 days prior to budgeting such appropriated funds, the Department of Aging and Disability Services shall report on the appropriated fund sources, amounts and year of appropriation and on the proposed use of these funds to the Legislative Budget Board and the Governor.
- 34. Unexpended Balances: ICF/MR Standards.** Except as otherwise provided, unexpended and unobligated balances, not to exceed \$5 million in General Revenue, remaining from appropriations for the first year of the biennium to the Department of Aging and Disability Services are appropriated to the department for the purpose of complying with Intermediate Care Facilities for the Mentally Retarded (ICF-MR) standards dealing with residential, non-residential, and community based mental retardation services. This paragraph does not apply to those unexpended and unobligated balances remaining from appropriations for the first year of the biennium that the department is authorized by this Act to retain for specific purposes in the second year of the biennium. The department shall notify the Legislative Budget Board and the Governor as to when the appropriation originated, why it is not needed, and how it will be used prior to budgeting and expending these balances.
- 35. Revolving Fund Services: Canteen Services and Sheltered Workshops.**
- a. Canteen Services. Each of the mental retardation facilities under control and management of the Department of Aging and Disability Services, except the State Office, may establish, maintain and operate a canteen for the convenience of its residents. Any balances remaining in each canteen operation fund are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be \$150,000 from balances on hand on August 31, 2005 and included above in Strategy A.8.1, MR State Schools Services. Any unobligated balances as of August 31, 2006, are appropriated for the same use during fiscal year 2007. All receipts deposited to its credit, estimated to be \$2,052,559 in fiscal year 2006 and \$2,052,559 in fiscal year 2007 and included above in Strategy A.8.1, MR State Schools Services, are appropriated for all costs necessary for the operation of a canteen for the next fiscal year. Funds appropriated for canteen services are reflected in the method of finance above as MR Revolving Fund Receipts. Each of the mental retardation facilities under control and management of the department that contracts with the Department of Assistive and Rehabilitative Services for the operation of its canteen shall deposit the amount of monies originally appropriated for its Canteen Operation Fund into the General Revenue Fund. The balance remaining in the facility's Canteen Operation Fund, after the amount originally appropriated is deposited to the General Revenue Fund, shall be deposited to the Benefit Fund created at the facility under the provisions of Health and Safety Code § 551.004.

The department shall provide information on related revenues, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriation Requests, and Annual Financial Reports. The timetable, format and content for additional monthly reports related to Canteen operations shall be prescribed by the Legislative Budget Board.

**DEPARTMENT OF AGING AND DISABILITY SERVICES**  
(Continued)

- b. Sheltered Workshops. The Department of Aging and Disability Services may maintain a revolving fund for its management responsibilities related to sheltered workshops. Any balances remaining in the sheltered workshop funds are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be \$992,286 from balances on hand remaining on August 31, 2005 and included above in Strategy A.8.1, MR State Schools Services. Any unobligated balances as of August 31, 2006, are appropriated for the same use during fiscal year 2007. All receipts deposited to the credit of the sheltered workshops, estimated to be \$1,144,018 in fiscal year 2006 and \$1,144,018 in fiscal year 2007 and included above in Strategy A.8.1, MR State Schools Services, are appropriated for all costs necessary for the operation of sheltered workshops. Funds appropriated for sheltered workshops are reflected in the method of finance above as MR Revolving Fund Receipts.

The department shall provide information on related revenues, expenditures, balances, contracts and profits to the Legislative Budget Board, Governor and Comptroller of Public Accounts. These revenues, expenditures and balances shall be reported and included in agency Operating Budgets, Legislative Appropriations Requests, and Annual Financial Reports. The timetable, format, and content for additional monthly reports related to the Sheltered Workshop Revolving Fund shall be prescribed by the Legislative Budget Board.

36. **MR Residential Placement Options.** Pursuant to § 533.038 of the Health and Safety Code, an individual with mental retardation or an individual's legally authorized representative seeking residential services shall receive a clear explanation of programs and services for which the individual is determined to be eligible, including state schools, community ICFs-MR, 1915(c) waiver services or other services, in order to ensure consumer choice. The programs and services that are explained shall be documented in the individual's record and acknowledged in writing by the individual or the individual's legally authorized representative. If the chosen programs or services are not available, the individual or the individual's legally authorized representative shall be given assistance in gaining access to alternative services and the selected waiting lists.

The department shall keep a central list of the number of openings available for each type of residential service. The department shall honor the program and services preferences of the person or the person's legally authorized representative to the maximum extent openings are available in a residential program or service for which the individual meets program criteria.

37. **Appropriation and Unexpended Balances of Funds Recouped from Local Authorities.** Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2006 recouped by the Department of Aging and Disability Services from a local mental retardation authority for failing to fulfill its performance contract with the State, are hereby reappropriated to the department to reallocate to other local mental retardation authorities to use for a related purpose in fiscal year 2007. In conjunction with the reallocation of funds, the department shall provide a report to the Legislative Budget Board and the Governor on the amount of funds, the reasons for the recoupment, the local authorities involved, any performance contract requirements that were not met, and the purposes of the reallocation.
38. **Expenditures on Bond Homes.** It is the intent of the Legislature that expenditures made for the provision of client services in bond homes operated by the Department of Aging and Disability Services shall not exceed the approved reimbursement rates.
39. **Data on RSVP Matching Funds Required.** It is the intent of the Legislature that the Department of Aging and Disability Services maintain data on the amount of matching funds required for federal grants to local retired senior volunteer programs. By October 1 of each fiscal year, the department shall submit to the Legislative Budget Board and the Governor a report in such detail as the two offices may require.
40. **Unit Cost Reporting Required.** It is the intent of the Legislature that the Department of Aging and Disability Services maintain a reporting system that clearly and accurately identifies the unit cost of each service provided by each Area Agency on Aging and that the results of this unit cost reporting be provided to the Legislative Budget Board and the Governor semi-annually and in a form that the two offices may require.
41. **Appropriation and Unexpended Balances: Affordable Housing for the Elderly.** Funds appropriated above include fees collected pursuant to § 394.902, Local Government Code, and § 101.022, Human Resources Code, as amended, for the purpose of promoting affordable housing

**DEPARTMENT OF AGING AND DISABILITY SERVICES**  
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for the elderly (\$840,000 for the biennium). The Department of Aging and Disability Services shall submit a report to the Legislative Budget Board and the Governor by October 1 of each year. The report shall identify for the prior fiscal year the amount of fees collected and deposited into the General Revenue Fund, the dollar value of grants issued with such funds, the number of persons or entities receiving grants, and the specific purposes for which grants were issued.

Any unexpended balances in fees collected to promote affordable housing for the elderly for the fiscal year ending August 31, 2006, may be carried forward into fiscal year 2007, and such balances are hereby appropriated.

In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

42. **Reimbursement of Advisory Council Members.** Pursuant to Human Resources Code § 161.027, reimbursement of travel expenses for Aging and Disability Services Council members, out of funds appropriated above, is hereby authorized such that the sum total of all reimbursements for members of the council shall not exceed \$10,825 per fiscal year, at the rates specified in the general provisions of this Act.
43. **Appropriation: GR-Dedicated Account No. 5055 License Plate Revenue.** Included in funds appropriated above in Strategy A.4.3, MR Community Services, is \$4,488 for the biennium in revenue generated from the sale of specialized "Special Olympics Texas" license plates and collected in GR-Dedicated Account No. 5055. Any additional revenues generated by the sale of specialized "Special Olympics Texas" plates above \$4,488 is hereby appropriated to the agency (estimated to be \$0) for the 2006-07 biennium. It is the intent of the Legislature that these funds be expended for costs associated with training and with area and regional competitions of the Special Olympics Texas.
44. **Cost Comparison Report.** The department shall develop a report for the Legislature analyzing state and federally funded residential and nonresidential services in HCS, Texas Home Living, and ICF/MR for people with mental retardation.
  - a. The report shall include:
    - (1) the monthly average cost to the state per person for individuals residing in state-operated and non-state operated Intermediate Care Facilities for individuals with Mental Retardation (ICF/MR) by rate class;
    - (2) the combined average monthly cost to the state per person participating in the HCS and Texas Home Living Waivers; and
    - (3) a comparison of severity across settings by level of need (LON).
  - b. With respect to the cost to the state per person residing in a state operated ICF/MR facility, the department shall include all costs, such as SWICAP, DICAP, maintenance and construction costs, employee benefit costs and other federally allowable administrative, medical and overhead costs. With respect to the cost to the state per person in state-operated ICF/MR facilities, non-state operated ICF/MR facilities and the HCS and Texas Home Living waivers, the department shall include all Medicaid costs that are not included in the waiver rate for those programs and all costs to administer and license those programs.
  - c. Costs for waiver recipients will cover the time a person is enrolled in the waiver through the time they are terminated from waiver services. The cost for ICF/MR services will cover the time a person is admitted to the facility to the time of discharge unless the person is admitted to an ICF/MR or waiver within 60 days of discharge. In that case the Medicaid costs incurred during discharge will be counted toward the ICF/MR costs.

## DEPARTMENT OF AGING AND DISABILITY SERVICES

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- 45. Additional Program of All-Inclusive Care for the Elderly (PACE) Sites.** Out of funds appropriated above and notwithstanding any other provisions of this Act, the Commissioner of the Department of Aging and Disability Services may transfer funds to Strategy A.5.1, Program of All-inclusive Care Elderly (PACE), to create two (2) additional PACE sites. Each of these two new PACE sites will not exceed 150 recipients by August 31, 2007.
- 46. Promoting Community Services for Children.** It is the intent of the Legislature, to provide opportunities for children (under the age of 22) residing in community intermediate care facilities for the mentally retarded to transition to families during the 2006-07 biennium. To facilitate such transitions when requested by parent/guardian, funding for up to 50 children residing in community intermediate care facilities for the mentally retarded may be transferred from the ICF/MR strategy to Community Care Services Strategies to cover the cost of the shift in services. The Executive Commissioner may develop rules that would allow decertification of the ICF/MR beds upon such transition to prevent additional costs being incurred.
- 47. Contingency Appropriation for Senate Bill 6-Transfer of Guardianship Contracts.** Contingent upon passage of Senate Bill 6 or similar legislation related to the transfer of the guardianship program to the Department of Aging and Disability Services:
- All contracts of the Department of Family and Protective Services (DFPS) with a local guardianship program for the provision of guardianship services shall become a contract between the Department of Aging and Disability Services (DADS) and that same local guardianship program. All powers, duties, funds, and obligations under that contract that were the powers, duties, funds, and obligations of DFPS shall become the powers, duties, funds, and obligations of DADS. For fiscal year 2006, DADS may continue any existing contracts for guardianship services transferred under this section and may enter into new contracts with the same or different entities without the use of competitive procurement unless so directed by the Executive Commissioner of the Health and Human Services Commission.
  - Out of the funds appropriated above, the Department of Aging and Disability Services shall pay guardianship program caseworkers, supervisors and directors an amount not to exceed \$50 per month for work-related use of the personal cellular telephones.
- 48. Payment of August 2007 Payments.** Funds included above for the Department of Aging and Disability Services include a reduction of \$359,953,852 in All Funds including \$140,000,000 in General Revenue Related Funds, for the August 2007 payments of the following strategies:
- A.2.1, Primary Home Care
  - A.2.2, Community Attendant Services
  - A.2.3, Day Activity and Health Services
  - A.3.1, Community-Based Alternatives
  - A.3.2, Home and Community-Based Services
  - A.3.3, Community Living Assistance (CLASS)
  - A.6.1, Nursing Facility Payments
  - A.6.2, Medicare Skilled Nursing Facility
  - A.6.3, Hospice
  - A.6.4, Promoting Independence Services
  - A.7.1, Intermediate Care Facilities - MR
- The Department of Aging and Disability Services is authorized to defer payment of the August 2007 payments until September 2007. These deferred payments will be paid from fiscal year 2008 appropriations. The department may allocate the deferral/savings as appropriate among the strategies indicated above.
- 49. Contingency Appropriation out of the Quality Assurance Account.** Amounts appropriated above out of the Quality Assurance Account No. 5080 in strategies A.7.1, Intermediate Care Facilities-MR, and A.8.1, MR State Schools Services, totaling \$50,416,140 in fiscal year 2006 and \$50,455,727 in fiscal year 2007, are contingent upon the enactment of legislation by the Seventy-ninth Legislature, Regular Session, relating to the continuation of the Quality Assurance Fee on Intermediate Care Facilities for Persons with Mental Retardation.
- 50. Pilot Project for Persons with Developmental Disabilities.** The Department of Aging and Disability Services (DADS) is required to continue a project in Midland County which identified and served 16 individuals who have required long-term care services in the past and



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(Continued)

are still in need of and eligible for services in a § 1915(c) Medicaid waiver program. For purposes of continuing this project, DADS shall expend, out of funds appropriated, for fiscal years 2006 and 2007, an amount sufficient to continue DADS waiver program services to individuals participating in this project as long as those individuals meet programmatic eligibility criteria. The project must meet all current department rules and federal Medicaid requirements, including ensuring choice of provider and choice of service option. DADS will evaluate the effectiveness of the project with regard to meeting personal outcomes as identified by project participants as well as costs associated with the project.

- \* **51. Contingent Appropriations for Nursing Facilities and Hospice Payments.** Appropriations made above from nursing facility quality assurance fee (QAF) revenues are contingent upon the enactment of authorizing legislation and federal approval of necessary waiver requests and state plan amendments required to comply with federal regulations under 42 C.F.R. Section 433.68(e). It is the intent of the Legislature that appropriations from this source be used to enhance the quality of care provided to nursing home residents, improve payment rates to providers and finance the transition to a more effective reimbursement methodology. Appropriations made above include the amounts necessary to fund the following specific purposes: 1) the Medicaid rate increase required to reimburse providers for the QAF associated with Medicaid units of service (\$132,346,268 GR-Dedicated, Estimated and \$207,700,669 in Federal Funds); 2) increased costs resulting from increased resident acuity (\$14,733,470 GR-Dedicated, Estimated and \$23,310,378 in Federal Funds); 3) restoration of rates to FY 2003 levels (\$30,764,589 GR-Dedicated, Estimated and 48,280,878 in Federal Funds); 4) provider rate payments (\$166,100,000 GR-Dedicated, Estimated and \$260,671,752 in Federal Funds); and 5) costs associated with a rate reimbursement methodology for Nursing Facilities based upon a Resource Utilization Groups Resident Classification System - RUGS III (\$3,300,000 GR-Dedicated, Estimated and \$3,300,000 in Federal Funds).
- 52. Contingent Appropriations for Home and Community-based (HCS) Waiver Services Program, Community Living Assistance and Support Services (CLASS) Waiver Services Program.** Appropriations made above from HCS and CLASS Waiver Services Program quality assurance fee (QAF) revenues are contingent upon enactment of authorizing legislation and federal approval of necessary waiver requests and state plan amendments required to comply with federal regulations under 42 C.F.R. Section 433.68(e). It is the intent of the Legislature that appropriations from this source be used to enhance the quality of care provided to HCS and CLASS waiver services program residents and improve payment rates to providers. Appropriations made above include the amounts necessary to fund the following specific purposes: 1) the Medicaid rate increase required to reimburse HCS and CLASS providers for the QAF associated with Medicaid units of service (\$20,308,533 GR-Dedicated, Estimated and \$31,871,665 in Federal Funds); 2) restoration of HCS, CLASS, and Community ICF-MR rates to FY 2003 levels (\$8,444,965 GR-Dedicated, Estimated and \$13,253,297 in Federal Funds); 3) HCS, CLASS, and Community ICF-MR provider rate increases (\$17,747,880 GR-Dedicated, Estimated and \$27,853,035 in Federal Funds); and 4) restore rates above the base related to Demographic Growth and 10% Waiting List Exceptional Items (\$3,872,759 GR-Dedicated, Estimated and \$6,138,811 in Federal Funds).
- 53. Waiting List Reduction.** Notwithstanding any other provision in this Act, the Department of Aging and Disability Services is directed to consider factors such as length of time on the interest/waiting list, size of waiting list, demographics, average cost, and crisis stabilization in providing services to waiting list clients on a program-specific basis.
- 54. CPS Reform Plan.** Out of funds appropriated above in Strategy A.3.2, Home and Community-Based Services, \$1,182,270 in General Revenue Funds, and the associated federal funds, are set aside each fiscal year for children aging out of Foster Care.
- 55. Non-Medicaid Services-Title XX and In-Home and Family Support Transfers.** Out of funds appropriated above, the Department of Aging and Disability Services shall expend \$1,200,000 in General Revenue Funds in Strategy A.4.1, Non-Medicaid Services - Title XX, and \$800,000 in General Revenue Funds in Strategy A.4.8, In-Home and Family Support, to provide services to clients on waiting lists. The department is authorized to make transfers between strategies for this purpose. The department shall notify the Legislative Budget Board and the Governor at least 45 days prior to transferring funds of the amounts to be transferred and the affected strategies.

\*Authorizing legislation was not enacted. Governor vetoed rider.

DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

	For the Years Ending	
	August 31, 2006	August 31, 2007
<b>Method of Financing:</b>		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 7,136,437	\$ 7,193,917
GR Match for Medicaid	1,658,086	1,658,086
Earned Federal Funds	2,889,266	2,889,266
GR Certified as Match for Medicaid	18,000,000	18,000,000
GR for Vocational Rehabilitation	40,767,251	41,273,842
General Revenue for ECI	10,241,318	10,241,319
Subtotal, General Revenue Fund	\$ 80,692,358	\$ 81,256,430
<u>General Revenue Fund - Dedicated</u>		
Business Enterprise Program Trust Fund, estimated	515,350	515,350
I Love Texas License Plate Acct. No. 5086, estimated	19,091	19,091
Comprehensive Rehabilitation Account No. 107	10,506,145	10,506,146
Business Enterprise Program Account No. 492	1,491,074	1,491,074
Subtotal, General Revenue Fund - Dedicated	\$ 12,531,660	\$ 12,531,661
Federal Funds	360,034,487	367,847,133
<u>Other Funds</u>		
Appropriated Receipts	99,000	99,000
Interagency Contracts	854,837	854,837
Blind Endowment Fund No. 493, estimated	0	0
Universal Services Fund Reimbursements	644,336	657,664
Subrogation Receipts, estimated	500,000	500,000
Interagency Contracts for VR	499,248	499,248
Appropriated Receipts for VR	200,000	210,000
Interagency Contracts - Transfer from Foundation School Fund No. 193	16,498,102	16,498,102
Subtotal, Other Funds	\$ 19,295,523	\$ 19,318,851
Total, Method of Financing	\$ 472,554,028	\$ 480,954,075
<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>		
	\$ 25,339	\$ 26,151
<b>This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.</b>		
<b>Number of Full-Time-Equivalents (FTE):</b>	3,125.8	3,125.8
<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 5	\$125,000	\$125,000
<b>Items of Appropriation:</b>		
<b>A. Goal: CHILDREN WITH DISABILITIES</b>		
Ensure Children and Their Families Reach Their Developmental Goals.		
<b>A.1.1. Strategy:</b> ECI ELIGIBILITY AWARENESS Ensure Eligible Children Are Identified.	\$ 430,264	\$ 430,264
<b>A.1.2. Strategy:</b> ELIGIBILITY DETERMINATION Eligibility Determination Services.	\$ 33,784,817	\$ 35,861,019
<b>A.1.3. Strategy:</b> COMPREHENSIVE SERVICES Administer System of Comprehensive Services.	\$ 96,914,629	\$ 100,745,461
<b>A.1.4. Strategy:</b> RESPITE SERVICES	\$ 400,000	\$ 400,000
<b>A.1.5. Strategy:</b> ENSURE QUALITY SERVICES Ensure Quality ECI Services by Training, Evaluation and Assistance.	\$ 1,127,188	\$ 1,127,188
<b>A.2.1. Strategy:</b> HABILITATIVE SERVICES FOR CHILDREN	\$ 2,519,108	\$ 2,516,809
Habilitative Services for Blind and Visually Impaired Children.		
Total, Goal A: CHILDREN WITH DISABILITIES	\$ 135,176,006	\$ 141,080,741

# DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

(Continued)

## B. Goal: PERSONS WITH DISABILITIES

Rehabilitation Services for Persons with Disabilities.

<b>B.1.1. Strategy:</b> INDEPENDENT LIVING SERVICES - BLIND	\$	2,114,636	\$	2,114,637
<b>B.1.2. Strategy:</b> BLINDNESS EDUCATION Blindness Education, Screening and Treatment Program.	\$	518,845	\$	518,845
<b>B.1.3. Strategy:</b> VOCATIONAL REHABILITATION - BLIND Voc Rehab Services for Persons Who are Blind or Visually Impaired.	\$	36,248,777	\$	36,675,158
<b>B.1.4. Strategy:</b> BUSINESS ENTERPRISES OF TEXAS	\$	2,184,820	\$	2,184,820
<b>B.1.5. Strategy:</b> BUSN ENTERPRISES OF TEX TRUST FUND Business Enterprises of Texas Retirement Trust Fund.	\$	515,350	\$	515,350
<b>B.2.1. Strategy:</b> CONTRACT SERVICES Contract For Services for Persons Who Are Deaf or Hard of Hearing.	\$	1,187,613	\$	1,187,614
<b>B.2.2. Strategy:</b> CONSUMER AND INTERPRETER EDUCATION Ensure the Quality of Programs through Training & Educational Programs.	\$	505,195	\$	505,196
<b>B.2.3. Strategy:</b> INTERPRETERS CERTIFICATION Certify and Regulate Interpreters.	\$	206,233	\$	206,234
<b>B.2.4. Strategy:</b> TELEPHONE ACCESS ASSISTANCE Telecommunications Access Assistance.	\$	644,336	\$	657,664
<b>B.3.1. Strategy:</b> VOCATIONAL REHABILITATION - GENERAL Rehabilitate & Place People w/Disabilities in Competitive Employment.	\$	171,455,983	\$	173,454,106
<b>B.3.2. Strategy:</b> INDEPENDENT LIVING CENTERS Work w/Independent Living Centers & State Independent Living Council.	\$	1,439,283	\$	1,439,283
<b>B.3.3. Strategy:</b> INDEPENDENT LIVING SERVICE - GEN Provide Consumer-driven Independent Living Services.	\$	3,044,461	\$	3,074,309
<b>B.3.4. Strategy:</b> COMPREHENSIVE REHABILITATION Provide Services to People with Spinal Cord/Traumatic Brain Injuries.	\$	12,775,732	\$	12,803,360
<b>Total, Goal B: PERSONS WITH DISABILITIES</b>	\$	232,841,264	\$	235,336,576

## C. Goal: DISABILITY DETERMINATION

Provide Disability Determination Services within SSA Guidelines.

<b>C.1.1. Strategy:</b> DISABILITY DETERMINATION SVCS (DDS) Disability Determination Services (DDS).	\$	82,584,022	\$	82,584,022
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## D. Goal: PROGRAM SUPPORT

<b>D.1.1. Strategy:</b> CENTRAL PROGRAM SUPPORT	\$	9,455,822	\$	9,455,822
<b>D.1.2. Strategy:</b> REGIONAL PROGRAM SUPPORT	\$	1,534,968	\$	1,534,969
<b>D.1.3. Strategy:</b> OTHER PROGRAM SUPPORT	\$	4,963,210	\$	4,963,208
<b>D.1.4. Strategy:</b> IT PROGRAM SUPPORT Information Technology Program Support.	\$	5,998,736	\$	5,998,737

**Total, Goal D: PROGRAM SUPPORT** \$ 21,952,736 \$ 21,952,736

**Grand Total, DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES** \$ 472,554,028 \$ 480,954,075

\* **Supplemental Appropriations Made in Riders:** \$ 0 \$ 0

## Object-of-Expense Informational Listing:

Salaries and Wages	\$	113,622,442	\$	113,622,442
Other Personnel Costs		4,021,073		4,022,393
Professional Fees and Services		10,272,748		10,020,748

\*Authorizing legislation (House Bill 2) was not enacted and Governor vetoed Rider 31, which included a biennial appropriation of \$23.1 million in All Funds, including \$4.9 million in State (Other) Funds and \$18.2 million in Federal Funds.

DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES  
(Continued)

Fuels and Lubricants	24,455	24,495
Consumable Supplies	1,515,511	1,516,511
Utilities	4,503,065	5,088,465
Travel	2,280,572	2,283,773
Rent - Building	6,459,309	6,459,309
Rent - Machine and Other	3,896,786	3,896,986
Other Operating Expense	16,897,007	17,560,316
Client Services	186,691,663	188,894,234
Grants	119,624,873	124,867,013
Capital Expenditures	2,744,524	2,697,390

Total, Object-of-Expense Informational Listing \$ 472,554,028 \$ 480,954,075

Estimated Allocations for Employee Benefits and Debt  
Service Appropriations Made Elsewhere in this Act:

Employee Benefits

Retirement	\$ 6,123,891	\$ 6,144,501
Group Insurance	22,212,015	24,144,642
Social Security	7,649,357	7,802,344
Benefits Replacement	1,356,508	1,333,868

Subtotal, Employee Benefits \$ 37,341,771 \$ 39,425,355

Debt Service

Lease Payments	\$ 2,659,245	\$ 2,675,568
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Total, Estimated Allocations for Employee  
Benefits and Debt Service Appropriations Made  
Elsewhere in this Act

\$ 40,001,016 \$ 42,100,923

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of Assistive and Rehabilitative Services. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Assistive and Rehabilitative Services. In order to achieve the objectives and service standards established by this Act, the Department of Assistive and Rehabilitative Services shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2006	2007
<b>A. Goal: CHILDREN WITH DISABILITIES</b>		
<b>Outcome (Results/Impact):</b>		
Percent of Population under Age Three Served	3.77%	3.98%
Percent Growth in Number of Children Enrolled in Comprehensive Services	6%	5.8%
<b>A.1.2. Strategy: ELIGIBILITY DETERMINATION</b>		
<b>Output (Volume):</b>		
Number of Children Receiving Follow Along Services	7,438	7,939
Number of Children Receiving Eligibility Services	42,350	44,837
<b>A.1.3. Strategy: COMPREHENSIVE SERVICES</b>		
<b>Output (Volume):</b>		
Number of Children Served in Comprehensive Services	47,175	48,978
<b>Efficiencies:</b>		
Average Cost Per Child: Comprehensive Services State and Federal Funds	2,023	2,027
<b>A.1.4. Strategy: RESPITE SERVICES</b>		
<b>Output (Volume):</b>		
Number of Children Receiving Respite Services	1,000	1,000
<b>A.1.5. Strategy: ENSURE QUALITY SERVICES</b>		
<b>Output (Volume):</b>		
Number of Training and Technical Assistance Events Provided	206	206
<b>A.2.1. Strategy: HABILITATIVE SERVICES FOR CHILDREN</b>		
<b>Output (Volume):</b>		
Number of Children Receiving Habilitative Services	2,909	2,906
<b>Efficiencies:</b>		
Average Cost Per Child Served	866	866
<b>B. Goal: PERSONS WITH DISABILITIES</b>		
<b>Outcome (Results/Impact):</b>		
Percent of VR-Blind Consumers Who Achieve Employment Outcomes	72%	72%

**DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES**  
(Continued)

Percent Increase in the Number of Individuals Who Are Deaf or Hard of Hearing Receiving Communication Access Services	2.4%	0%
Percent of VR-General Consumers Who Achieve Employment Outcomes	55.8%	60%
Percent of Employed Rehabilitants (VR-General) Earning at Least Minimum Wage	97.3%	97.3%
<b>B.1.1. Strategy: INDEPENDENT LIVING SERVICES - BLIND</b>		
<b>Output (Volume):</b>		
Number of Consumers Served	5,367	5,367
<b>Efficiencies:</b>		
Average Cost Per Consumer Served	394	394
<b>B.1.2. Strategy: BLINDNESS EDUCATION</b>		
<b>Output (Volume):</b>		
Number of Individuals Receiving Screening and Treatment Services in the BEST Program	7,861	7,861
<b>Efficiencies:</b>		
Average Cost Per Individual Receiving Screening and Treatment Services in the BEST Program	66	66
<b>B.1.3. Strategy: VOCATIONAL REHABILITATION - BLIND</b>		
<b>Output (Volume):</b>		
Number of Consumers Served	10,069	10,188
<b>Efficiencies:</b>		
Average Cost Per Consumer Served	3,600	3,600
<b>B.1.4. Strategy: BUSINESS ENTERPRISES OF TEXAS</b>		
<b>Output (Volume):</b>		
Number of Consumers Employed	129	129
<b>Efficiencies:</b>		
Average Cost Per Consumer	17,000	17,000
<b>B.2.1. Strategy: CONTRACT SERVICES</b>		
<b>Output (Volume):</b>		
Number of Contact Hours of Communication Access Services Provided	24,237	24,237
<b>B.2.2. Strategy: CONSUMER AND INTERPRETER EDUCATION</b>		
<b>Output (Volume):</b>		
Number of Consumers Educated and Interpreters Trained	6,000	6,000
<b>Efficiencies:</b>		
Average Cost Per Camper	238	238
<b>B.2.3. Strategy: INTERPRETERS CERTIFICATION</b>		
<b>Output (Volume):</b>		
Number of Interpreter Certificates Issued	1,650	1,677
<b>Efficiencies:</b>		
Average Time for Ethics Complaint Resolution (Certified Interpreter): Days	90	90
<b>B.2.4. Strategy: TELEPHONE ACCESS ASSISTANCE</b>		
<b>Output (Volume):</b>		
Number of Equipment/Service Vouchers Issued	14,500	14,500
<b>B.3.1. Strategy: VOCATIONAL REHABILITATION - GENERAL</b>		
<b>Output (Volume):</b>		
Number of Consumers Served	109,837	111,117
Number of Consumers Who Achieved Employment Outcomes	18,500	17,000
<b>Efficiencies:</b>		
Cost Per Consumer Served	1,561	1,561
<b>B.3.2. Strategy: INDEPENDENT LIVING CENTERS</b>		
<b>Output (Volume):</b>		
Number of People Receiving Services from Independent Living Centers	3,822	3,822
<b>B.3.3. Strategy: INDEPENDENT LIVING SERVICE - GEN</b>		
<b>Output (Volume):</b>		
Number of People Receiving DRS Supported Independent Living Services	2,613	2,639
<b>B.3.4. Strategy: COMPREHENSIVE REHABILITATION</b>		
<b>Output (Volume):</b>		
People Receiving Comprehensive Rehabilitation Services	639	640
<b>Efficiencies:</b>		
Cost Per CRS Consumer	20,000	20,000
<b>C. Goal: DISABILITY DETERMINATION</b>		
<b>Outcome (Results/Impact):</b>		
Percent of Case Decisions That Are Accurate	90.6%	90.6%

DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES  
(Continued)

<b>C.1.1. Strategy:</b> DISABILITY DETERMINATION SVCS (DDS)		
<b>Output (Volume):</b>		
Number of Disability Cases Determined	270,000	270,000
<b>Efficiencies:</b>		
Cost Per Disability Case Determination	306	306

2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended for the purposes shown and are not available for expenditures for other purposes. Amount appropriated above have been identified in this provision as appropriations either for "Lease Payments to Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2006	2007
Out of Federal Funds:		
a. Acquisition of Information Resource Technologies		
(1) SSA Redesign Refresh & Reconfiguration of State DDS	\$ 1,181,002	\$ 1,181,002
(2) Seat Management Services	2,661,067	2,661,067
(3) Infrastructure and Development Platform Refresh	840,722	840,720
(4) Consumer Case Management System	\$ 1,669,000	\$ 767,400
Total, Acquisition of Information Resource Technologies	\$ 6,351,791	\$ 5,450,189
b. Transportation Items		
(1) Vehicles	\$ 46,500	\$ 47,500
c. Acquisition of Capital Equipment and Items		
(1) Establish and Refurbish Food Service Facilities	\$ 340,000	\$ 340,000
Total, Capital Budget	\$ 6,738,291	\$ 5,837,689

3. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, not to exceed the amounts stated below per fiscal year, is limited to the following advisory committees:

Early Childhood Intervention Advisory Council	\$16,650
Elected Committee of Managers	\$10,540
Board for Evaluation of Interpreters	\$4,500
Rehabilitation Council of Texas	\$76,845

To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

4. **Reimbursement of Advisory Council Members.** Pursuant to Human Resources Code §117.027, reimbursement of expenses for Assistive and Rehabilitative Services Council members, out of funds appropriated above, is hereby authorized such that the sum total of all reimbursements for members of the Council shall not exceed \$33,182 per fiscal year.
5. **Notification of Federal Funds Distribution.**
- a. Redirection of General Revenue Funds. The Department of Assistive and Rehabilitative Services (DARS) shall notify the Legislative Budget Board and the Governor by letter of its intent to redirect General Revenue funds to obtain additional federal funds for the Vocational Rehabilitation program. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The

## DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

(Continued)

notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program. Furthermore, it is the intent of the Legislature that no federal funds be drawn and expended by utilizing as matching funds any General Revenue Funds appropriated for the subsequent state fiscal year.

- b. Budgeting of Additional Federal Dollars. DARS shall notify the Legislative Budget Board and the Governor by letter at least 14 days prior to the budgeting of more than \$172,926,408 in fiscal year 2006 and \$174,835,126 in fiscal year 2007 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the "Method of Financing" above. Amounts noted above include any amounts expended in fiscal year 2006 or 2007 that were carried forward from the previous year's allotments.

### 6. Other Reporting Requirements.

- a. **Federal Reports.** The Department of Assistive and Rehabilitative Services shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government:

- (1) Notification of proposed State Plan amendments or waivers for Vocational Rehabilitation (CFDA 84.126), and Early Childhood Intervention Services [Special Education Grants for Infants and Families with Disabilities (CFDA 84.181) and Developmental Rehabilitation Services (Medicaid)] and any other federal grant requiring a state plan. State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committees.
- (2) A copy of each report or petition submitted to the federal government relating to Vocational Rehabilitation (CFDA 84.126), and Early Childhood Intervention Services [Special Education Grants for Infants and Families with Disabilities (CFDA 84.181) and Developmental Rehabilitation Services (Medicaid)].
- (3) Any other federal reports requested by the Legislative Budget Board or the Governor.

- b. **Federal Issues.** The Department of Assistive and Rehabilitative Services shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more than \$1 million in federal revenue assumed in the Appropriations Act.

- c. **Monthly Financial Reports.** The Department of Assistive and Rehabilitative Services shall submit the following information to the Legislative Budget Board and the Governor on a monthly basis:

- (1) Information on appropriated, budgeted, expended, and projected funds, by strategy and method of finance.
- (2) Narrative explanations of significant budget adjustments, ongoing issues, and other items as appropriate.
- (3) Any other information requested by the Legislative Budget Board or the Governor.

The monthly reports shall be prepared in a format specified by the Legislative Budget Board and the Governor.

- 7. **Maintenance of Effort (MOE) and Matching Funds Reporting Requirement.** The Department of Assistive and Rehabilitative Services (DARS) shall report quarterly to the Legislative Budget Board and the Governor on state funds used for match and maintenance of effort (MOE) for federal Vocational Rehabilitation (CFDA 84.126) funds and state funds used for MOE for federal Special Education Grants for Infants and Families with Disabilities (CFDA 84.181) funds. Each report shall detail funds for the current fiscal year and at least the two previous fiscal years. The reports shall specify:

**DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES**  
(Continued)

- a. State funds within and outside the Department's budget used for match and MOE.
- b. Federal Funds within and outside the Department's budget matched by state funds identified in the previous section.

The reports shall be prepared in a format specified by the Legislative Budget Board.

- 8. **Earned Federal Funds.** The Department of Assistive and Rehabilitative Services shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.
- 9. **Reporting on Early Childhood Intervention.** The Department of Assistive and Rehabilitative Services shall submit quarterly reports to the Legislative Budget Board, the Governor, and the Health and Human Services Commission, that provide information about the number of children served in Strategies A.1.1, A.1.2, A.1.3 and A.1.5, Early Childhood Intervention Awareness and Services, and funded services.

The reports should include, but are not limited to:

- a. a copy of the CMS64 Medicaid report. Such reports shall be submitted to the Legislative Budget Board and the Governor no later than the date the report is submitted to the federal government,
- b. a report that details types of services provided and cost of provision by method of finance. Other data available through the Texas Kids Intervention Data System (T-KIDS) shall be included upon request. Such reports shall be submitted to the Legislative Budget Board and the Governor no later than the date the agency Performance Measures are due in ABEST.
- c. the amounts for all early intervention services, by Medicaid source including Developmental Rehabilitation Services, projected, claimed and collected either by the agency or local contractors.
- d. any other information requested by the Legislative Budget Board or the Governor.

The quarterly reports shall be prepared in a format specified by the Legislative Budget Board.

- 10. **Funding for Early Childhood Intervention (ECI) Services at the Department of Assistive and Rehabilitative Services.**
  - a. Within the biennium, if it becomes necessary in order to qualify for federal funds, the Commissioner of the Department of Assistive and Rehabilitative Services (DARS) shall certify, by February 1 of each fiscal year of the biennium, to the Executive Commissioner of Health and Human Services that revenues needed to continue to serve all eligible children in Strategies A.1.1, A.1.2, A.1.3, and A.1.5, Early Childhood Intervention Awareness and Services, will exceed available revenue. The Executive Commissioner of Health and Human Services shall evaluate the projected need and make a determination within 30 days as to whether a transfer of funds will be necessary. DARS shall supply the following information to the Legislative Budget Board, the Governor, and the Executive Commissioner of Health and Human Services at the time of any authorization of additional need:
    - (1) Caseload and average cost projections showing the additional need;
    - (2) An evaluation of other possible available funding sources that DARS has considered, including federal education funding at the Texas Education Agency, other federal funding sources, and any other possible source;
    - (3) An evaluation of the availability and continuation of local funding sources to address the funding need; and
    - (4) Documentation of the agency's efforts to seek additional funding based on:
      - i. Cost-sharing by clients;
      - ii. Cost control measures;
      - iii. Maximizing coverage under Medicaid and the Children's Health Insurance Program;



## DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

(Continued)

- iv. Third party recovery;
- v. Examining the developmental delay criteria; and
- vi. Maximizing local commitments.

All transfers made shall be subject to the prior approval of the Governor and Legislative Budget Board.

- b. The Department of Assistive and Rehabilitative Services, in coordination with the Health and Human Services Commission, shall maintain procedures and monitor contractors for compliance to ensure that third-party resources and Medicaid are billed for eligible services provided in Strategies A.1.1, A.1.2, A.1.3, and A.1.5, Early Childhood Intervention Awareness and Services.
  - c. It is the intent of the Legislature that the Department of Assistive and Rehabilitative Services maintain procedures for the selection of providers and renewal of provider contracts based on "best value" practices that maximize the use of federal, private, and local funding.
- 11. Respite Care for Families.** It is the intent of the Legislature that any General Revenue Funds appropriated for the biennium for the purpose of providing respite care for families shall not be included in the State's maintenance of effort (MOE) for the federal Individuals with Disabilities Education Act (IDEA), Part C grant.
- 12. Education Funding.** Included in the Method of Financing in Other Funds above is \$16,498,102 in fiscal year 2006 and \$16,498,102 in fiscal year 2007 set aside from the Special Education Allotment and transferred to the Department of Assistive and Rehabilitative Services. Prior to expenditure of Other Funds received through interagency contract with the Texas Education Agency, the agency shall report in writing to the Governor and the Legislative Budget Board the amount of funds the agency intends to allocate to each local provider, the number of children each local provider is expected to serve, and details of the amount of funds that will be allocated for each of the following: eligibility determination services, comprehensive services and transition services.
- The Department of Assistive and Rehabilitative Services is hereby required to enter into a Memorandum of Understanding (MOU) with the Texas Education Agency for the purpose of providing funds to ECI contractors for eligibility determination services, including the initial determination of eligibility and subsequent eligibility assessments occurring after the initial individualized family service plan, comprehensive services and transition services, as specified. The MOU may include other provisions the agencies deem necessary. DARS shall provide a signed copy of the Memorandum of Understanding to the Legislative Budget Board and the Governor, no later than October 1, 2005 and October 1, 2006.
- 13. Medicaid Billing of Developmental Rehabilitation Services.** The Department of Assistive and Rehabilitative Services (DARS) shall, in coordination with the Health and Human Services Commission, maintain procedures and monitor contractors for compliance to ensure that local providers bill Medicaid for Developmental Rehabilitation Services (DRS) provided by Early Childhood Intervention (ECI) Specialists prior to use of state appropriations and resources and federal Individuals with Disabilities Education Act (IDEA) Part C funds. DARS shall maintain procedures for reducing allocations to local providers based on projected Medicaid reimbursements of all ECI services that are Medicaid reimbursable including DRS.
- To ensure that all DRS services provided by local programs are approved for Medicaid reimbursement, DARS shall maintain agency policy and procedures requiring that local program staff, including certified teachers, that deliver DRS are certified in the ECI competency demonstration system.
- 14. Medical Assistance Payments.** General revenue funds appropriated hereinabove for Medicaid services (GR Match for Medicaid and GR Certified as Match for Medicaid) may be carried over from fiscal year 2006 to fiscal year 2007 and used for the same purpose.
- 15. Limitation: Transfer Authority for Early Childhood Intervention (ECI) Strategies.** Notwithstanding the transfer provisions in the general provisions (general transfer provisions) of this Act, none of the funds appropriated by this Act to the Department of Assistive and Rehabilitative Services (DARS) for the following ECI strategies, ECI Awareness and Services:

## DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

(Continued)

- a. A.1.1, ECI Eligibility Awareness;
- b. A.1.2, Eligibility Determination;
- c. A.1.3, Comprehensive Services;
- d. A.1.4, Respite Services; and
- e. A.1.5, Ensure Quality Services

may be transferred to any other item of appropriation or expended for any other purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however funds may be transferred between ECI strategies in accordance with other provisions of this Act, including the general transfer provisions.

16. **Appropriation: Unexpended Balances in Interagency Contracts for Administrative Fees.** Unexpended and unobligated balances remaining as of August 31, 2005, in the appropriation of Interagency Contracts for Administrative Fees made to the Department of Assistive and Rehabilitative Services (DARS) by House Bill 1, Seventy-eighth Legislature, for the purpose of specialized projects for individuals who are hard of hearing, are hereby appropriated to DARS and included in amounts above in Strategy B.2.2, Consumer and Interpreter Education, for the biennium beginning September 1, 2005, and any unexpended balances remaining as of August 31, 2006 are appropriated for the same purpose for the fiscal year beginning September 1, 2006 (estimated to be \$0).
17. **Appropriation: Unexpended Balances in Summer Camp Program.** Any unexpended and unobligated balances remaining as of August 31, 2005, in the appropriation made to the Department of Assistive and Rehabilitative Services (DARS) by House Bill 1, Seventy-eighth Legislature, Regular Session, Article IX, General Provisions, Acceptance of Gifts of Money, are hereby appropriated to DARS, and included in amounts above in Strategy B.2.2, Consumer and Interpreter Education, for the biennium beginning September 1, 2005, for the purpose of expenses related to the Summer Camp Program (estimated to be \$0). Unexpended and unobligated balances remaining as of August 31, 2006, in the Summer Camp program are hereby appropriated to DARS for fiscal year 2007, and included in amounts above in Strategy B.2.2, Consumer and Interpreter Education, for use in the Summer Camp Program (estimated to be \$0).
18. **Unexpended Balances for the Board of Evaluation of Interpreters (BEI) Program.** Unexpended and unobligated balances remaining as of August 31, 2006, in certification fees for Strategy B.2.3, Interpreters Certification, made to the Department of Assistive and Rehabilitative Services (DARS), are hereby appropriated to DARS, for the fiscal year beginning September 1, 2006, for the purpose of developing evaluation materials, validating interpreter evaluation materials, and expenses related to the Department's Certification Program (estimated to be \$0).
19. **BEI Test License and Marketing.** The Department of Assistive and Rehabilitative Services (DARS) is authorized to license any tests that it develops in its Board of Evaluation of Interpreters Program and may sell these tests. Any revenue generated from these sales is hereby appropriated to DARS (estimated to be \$0).
20. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the Department of Assistive and Rehabilitative Services cover, at a minimum, \$130,000 in General Revenue in each year of the biennium to support Strategy B.2.3, Interpreters Certification, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for the certification of interpreters are estimated to be \$25,339 in fiscal year 2006 and \$26,151 in fiscal year 2007. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
21. **Appropriation: GR-Dedicated Account No. 5086 License Plate Revenue.** Included in funds appropriated above in Strategy B.2.2, Consumer and Interpreter Education, is \$38,182 for the biennium in revenue generated from the sale of specialized "I Love Texas" license plates and collected in GR-Dedicated Account No. 5086. Any additional revenues generated by the sale of

## DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

(Continued)

specialized "I Love Texas" license plates above \$38,182 is hereby appropriated to the agency (estimated to be \$0) for the 2006-07 biennium. It is the intent of the Legislature that these funds be expended for direct services programs, training, and education for the deaf and hard of hearing.

22. **Cash Flow Contingency for the Specialized Telecommunications Assistance Program.** Contingent upon the receipt of Universal Services Funds reimbursements, the Department of Assistive and Rehabilitative Services may temporarily utilize additional General Revenue Funds in an amount not to exceed the anticipated Universal Services Funds reimbursement. The General Revenue Funds accessed under this provision must be repaid within the biennium they are used upon receipt of Universal Services Funds and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be made in accordance with accounting procedures established by the Comptroller of Public Accounts.
23. **Employee Work Assignments.** Employees assigned to the Criss Cole Rehabilitation Center or to special project facilities operated by the agency may, to the extent required for the effective direct provision of services to clients, be excepted from usual state policies regarding working hours, working days, and holidays. Insofar as possible, the work days and work hours of such employees shall be determined according to a system comparable to that used by other state-operated special schools, hospitals, institutions or other facilities providing residential services to eligible individuals.
24. **Reimbursement of Services.** In order to reimburse equitably the appropriation items hereinabove made from which expenditures are made for services to employees and guests of the Criss Cole Rehabilitation Center or other residential facilities operated by the Department of Assistive and Rehabilitative Services, DARS shall establish such reimbursement rates and rules as might be necessary to assure reimbursement at rates not less than the rates of reimbursement required by institutions, agencies or offices under the jurisdiction of the Department of State Health Services, the Department of Aging and Disability Services and the Texas Youth Commission.
25. **Appropriation of Federal Medicaid Receipts.** The Department of Assistive and Rehabilitative Services (DARS) shall certify and/or transfer appropriated state funds to the Texas Medicaid Single State Agency so that federal financial participation can be claimed for Medicaid services. Such federal receipts are hereby appropriated to DARS to provide rehabilitative services to blind and visually impaired children in Strategy A.2.1, Habilitative Services for Children.
26. **Appropriation of Donations: Blindness Education Screening and Treatment.** Included in the amounts above in Strategy B.1.2 is \$518,845 in fiscal year 2006 and \$518,845 in fiscal year 2007 for the Blindness Education, Screening, and Treatment (BEST) Program, contingent upon the generation of funds through donations. Revenues received from donations made in fiscal year 2006 and fiscal year 2007, in amounts not to exceed \$1,037,690 as provided by § 521.421 (f) or § 521.422 (b), Transportation Code, are appropriated to the Department of Assistive and Rehabilitative Services (DARS) for purposes related to the BEST Program. Any unexpended balances remaining as of August 31, 2006 are hereby appropriated to DARS for the same purpose for the fiscal year beginning September 1, 2006. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
27. **Appropriation: GR-Dedicated Account No. 5043 Business Enterprises of Texas Trust Fund.** Amounts above in Strategy B.1.5, Business Enterprises of Texas Trust Fund, are appropriated to the Department of Assistive and Rehabilitative Services (DARS) for the purpose of establishing and maintaining a retirement and benefits plan for blind or visually impaired vendors as defined in the federal Randolph-Sheppard Act (20 USC, § 107). Any amounts in addition to the amount identified in Strategy B.1.5, Business Enterprises of Texas Trust Fund, necessary to make retirement and benefits payments in conformity with the Randolph-Sheppard Act (20 USC, § 107) and Human Resource Code, § 94.016, are hereby appropriated to DARS. None of the funds appropriated in Strategy B.1.5, Business Enterprises of Texas Trust Fund, or through this rider may be transferred to any other strategy. DARS shall report quarterly on

## DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

(Continued)

deposits into and expenditures out of the Business Enterprises of Texas Trust Fund, GR-Dedicated Account No. 5043, including identification of the purpose for the expenditure, to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.

In addition, DARS shall submit a written report quarterly to the Legislative Budget Board and Governor on the management of the BET Trust Fund. DARS shall report deposits to the fund, the recommendations of the fund manager regarding investments, performance of investments, and an actuarial analysis of projected disbursements.

28. **GR-Dedicated Account No. 492 Business Enterprises of Texas.** Included in amounts above in the Method of Finance "Business Enterprises of Texas Account No. 492" is \$ 2,982,148 for the biennium from revenue deposited into the account in object codes 3747 and 3802.
29. **Appropriation: Subrogation Receipts.** Included in amounts appropriated above in Strategy B.3.1, Vocational Rehabilitation - General, and Strategy B.3.4, Comprehensive Rehabilitation, are subrogation collections received during the 2006-07 biennium. Appropriations included in Strategy B.3.1. above, \$450,000 in each fiscal year of the biennium, are from subrogation receipt collections from Vocational Rehabilitation cases. Appropriations included in Strategy B.3.4 above, \$50,000 in each fiscal year of the biennium, are from subrogation receipt collections from Comprehensive Rehabilitation cases. Subrogation receipts collected above the amounts appropriated in each strategy in each year are hereby appropriated to the agency for client services in the program from which the subrogation collections were generated (estimated to be \$0).
30. **GR-Dedicated Account No. 107 Comprehensive Rehabilitation Fund.** The method of financing noted above, GR-Dedicated Comprehensive Rehabilitation Account No. 107, includes unexpended and unobligated balances of Comprehensive Rehabilitation funds remaining as of August 31, 2005, and receipts earned in fiscal year 2006 and fiscal year 2007, not to exceed \$21,012,291 for the biennium. Revenues deposited into GR-Dedicated Account No. 107 are statutorily dedicated for comprehensive rehabilitation services and may not be used for any other purpose. It is the intent of the Legislature that funds from the Comprehensive Rehabilitation account be used only for direct services in Strategy B.3.4, Comprehensive Rehabilitation (Provide Services to People with Spinal Cord/Traumatic Brain Injuries). The Department of Assistive and Rehabilitative Services is hereby appropriated any additional revenue generated in Revenue Object Code 3713 during the 2006-07 biennium and deposited in the General Revenue Fund under General Revenue Dedicated Account No. 107 above the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of providing comprehensive rehabilitation services.
- \* 31. **Contingency for House Bill 2.** Contingent upon enactment of House Bill 2 or similar legislation relating to public education and public school finance matters, by the Seventy-ninth Legislature, Regular Session, \$1,657,877 in fiscal year 2006 and \$3,267,736 in fiscal year 2007 shall be set aside from the special education allotment out of funds appropriated to the Texas Education Agency, and transferred to the Department of Assistive and Rehabilitative Services via interagency contract for the purpose of providing transition services to students with disabilities through the Vocational Rehabilitation program. These funds shall be classified as Interagency Contracts - Transfer from Foundation School Fund No. 193. The matching Vocational Rehabilitation Federal Funds are estimated to be \$6,125,524 in fiscal year 2006 and \$12,073,631 in fiscal year 2007.

Funds shall be transferred by October 1 of each fiscal year. In addition to the TEA special education funds, it is the intent of the legislature that VR federal funds be used to fund this program in the amount of \$1,657,877 in fiscal year 2006 and \$3,267,736 in fiscal year 2007.

Prior to expenditure of other funds received through interagency contract with the Texas Education Agency DARS shall report in writing to the Legislative Budget Board and the Governor the amount of state and federal funds the agency will allocate to transition services in Strategies B.1.3 and B.3.1 in each fiscal year of the biennium. The report shall include the number of students with disabilities expected to be served, services to be provided with the funds, and any other details of the transition services requested by the Legislative Budget Board or the Governor.

\*Vetoed by Governor and legislation did not pass.

**DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES**  
(Continued)

Contingent upon enactment of House Bill 2 or similar legislation, DARS is required to enter into a Memorandum of Understanding (MOU) with the Texas Education Agency for the purpose of providing transition services to students with disabilities through the Vocational Rehabilitation program. The MOU may include provisions the agencies deem necessary. DARS shall provide a signed copy of the MOU to the Legislative Budget Board and the Governor, no later than September 1, 2005 and September 1, 2006.

DARS shall submit quarterly reports to the Legislative Budget Board and the Governor that provide information about the number of students with disabilities served in Strategies B.1.3 and B.3.1 and details of funded services. The format of the reports and details of information included shall be specified by the Legislative Budget Board.

Performance measure targets will be adjusted upon enactment of House Bill 2 for Strategy B.1.3 (Number of Consumers Served) and Strategy B.3.1 (Number of Consumers Served) to reflect the contingency appropriation.

**DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES**

	For the Years Ending	
	August 31, 2006	August 31, 2007
<hr/>		
<b>* Method of Financing:</b>		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 72,921,437	\$ 69,900,777
GR Match for Medicaid	6,929,852	7,024,213
GR MOE for Temporary Assistance for Needy Families	5,747,415	5,747,414
Earned Federal Funds	1,100,000	1,100,000
GR Match for Title IV-E Foster Care/Adoption Payments	1,345,570	1,352,757
Subtotal, General Revenue Fund	\$ 88,044,274	\$ 85,125,161
<hr/>		
<u>General Revenue Fund - Dedicated</u>		
Child Abuse and Neglect Prevention Operating Account No. 5084	3,012,139	3,012,139
Subtotal, General Revenue Fund - Dedicated	\$ 3,012,139	\$ 3,012,139
<hr/>		
Federal Funds	656,849,982	654,270,756
<hr/>		
<u>Other Funds</u>		
Economic Stabilization Fund No. 599	278,866,450	312,473,394
DFPS Appropriated Receipts - Child Support Collections, estimated	1,120,384	1,120,384
Appropriated Receipts	4,117,539	4,117,539
Interagency Contracts	132,633	132,633
Subtotal, Other Funds	\$ 284,237,006	\$ 317,843,950
<hr/>		
<b>Total, Method of Financing</b>	<b>\$ 1,032,143,401</b>	<b>\$ 1,060,252,006</b>
<hr/>		
<b>This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.</b>		
<hr/>		
<b>Number of Full-Time-Equivalents (FTE):</b>	8,443.2	9,532.2
<hr/>		
<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 6	\$160,000	\$160,000
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\*House Bill 10, Sec. 4 and Sec. 19, and Article II, Special Provisions, Sec. 55 replaced \$591.3 million in General Revenue Funds with Other Funds (Economic Stabilization Fund).

**DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES**  
(Continued)

<b>Items of Appropriation:</b>			
<b>A. Goal: PROTECTIVE SERVICES</b>			
Protect Clients by Developing and Managing a Service Delivery System.			
	<b>A.1.1. Strategy:</b> STATEWIDE INTAKE SERVICES	\$ 11,585,316	\$ 11,530,585
	Provide System to Receive/Assign Reports of Abuse/Neglect/Exploitation.		
	<b>A.2.1. Strategy:</b> CPS DIRECT DELIVERY STAFF	\$ 207,406,442	\$ 207,406,443
	Provide Direct Delivery Staff for Child Protective Services.		
	<b>A.2.2. Strategy:</b> CPS PROGRAM SUPPORT	\$ 28,203,302	\$ 28,203,302
	Provide Program Support for Child Protective Services.		
	<b>A.2.3. Strategy:</b> TWC FOSTER DAY CARE	\$ 5,353,356	\$ 5,353,355
	TWC Foster Day Care Purchased Services.		
	<b>A.2.4. Strategy:</b> TWC PROTECTIVE DAY CARE	\$ 8,362,207	\$ 8,362,206
	TWC Protective Day Care Purchased Services.		
	<b>A.2.5. Strategy:</b> ADOPTION PURCHASED SERVICES	\$ 4,202,506	\$ 4,202,505
	<b>A.2.6. Strategy:</b> POST-ADOPTION PURCHASED SERVICES	\$ 3,735,006	\$ 3,735,005
	<b>A.2.7. Strategy:</b> PAL PURCHASED SERVICES	\$ 6,426,415	\$ 6,426,414
	Preparation for Adult Living Purchased Services.		
	<b>A.2.8. Strategy:</b> SUBSTANCE ABUSE PURCHASED SERVICES	\$ 2,607,992	\$ 2,607,992
	<b>A.2.9. Strategy:</b> OTHER CPS PURCHASED SERVICES	\$ 23,083,423	\$ 23,083,423
	Other Purchased Child Protective Services.		
*	<b>A.2.10. Strategy:</b> FOSTER CARE PAYMENTS	\$ 376,800,097	\$ 355,467,301
**	<b>A.2.11. Strategy:</b> ADOPTION SUBSIDY PAYMENTS	\$ 110,737,952	\$ 116,828,441
	<b>A.2.12. Strategy:</b> STAR PROGRAM	\$ 21,030,805	\$ 20,970,915
	Services to At-Risk Youth (STAR) Program.		
	<b>A.2.13. Strategy:</b> CYD PROGRAM	\$ 7,897,598	\$ 7,897,598
	Community Youth Development (CYD) Program.		
	<b>A.2.14. Strategy:</b> TEXAS FAMILIES PROGRAM	\$ 4,168,441	\$ 4,168,441
	Texas Families: Together and Safe Program.		
	<b>A.2.15. Strategy:</b> CHILD ABUSE PREVENTION GRANTS	\$ 1,792,387	\$ 1,792,387
	<b>A.2.16. Strategy:</b> OTHER AT-RISK PREVENTION PROGRAMS	\$ 4,672,801	\$ 4,687,763
	<b>A.2.17. Strategy:</b> AT-RISK PREVENTION PROGRAM SUPPORT	\$ 2,441,576	\$ 2,441,576
	At-Risk Prevention Services Program Support.		
	<b>A.3.1. Strategy:</b> APS DIRECT DELIVERY STAFF	\$ 33,701,358	\$ 34,832,690
	Provide Direct Delivery Staff for Adult Protective Services.		
	<b>A.3.2. Strategy:</b> APS PROGRAM SUPPORT	\$ 4,613,335	\$ 4,683,688
	Provide Program Support for Adult Protective Services.		
	<b>A.3.3. Strategy:</b> MH and MR INVESTIGATIONS	\$ 5,032,241	\$ 5,152,853
	<b>A.4.1. Strategy:</b> CHILD CARE REGULATION	\$ 20,741,074	\$ 20,705,096
	<b>Total, Goal A: PROTECTIVE SERVICES</b>	\$ 894,595,630	\$ 880,539,979
<b>B. Goal: INDIRECT ADMINISTRATION</b>			
	<b>B.1.1. Strategy:</b> CENTRAL ADMINISTRATION	\$ 9,405,639	\$ 9,383,140
	<b>B.1.2. Strategy:</b> OTHER SUPPORT SERVICES	\$ 157,208	\$ 157,209
	<b>B.1.3. Strategy:</b> REGIONAL ADMINISTRATION	\$ 1,834,542	\$ 1,328,622
	<b>B.1.4. Strategy:</b> IT PROGRAM SUPPORT	\$ 9,116,663	\$ 8,011,367
	<b>B.1.5. Strategy:</b> AGENCY-WIDE AUTOMATED SYSTEMS	\$ 16,528,973	\$ 13,235,886
	<b>Total, Goal B: INDIRECT ADMINISTRATION</b>	\$ 37,043,025	\$ 32,116,224
<b>C. Goal: CPS REFORM</b>			
***	<b>C.1.1. Strategy:</b> CPS REFORM	\$ 100,504,746	\$ 147,595,803
	<b>Grand Total, DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES</b>	\$ 1,032,143,401	\$ 1,060,252,006

\*Method of Financing modified by House Bill 10, Sec. 19. \$265.3 million in General Revenue Funds replaced with Other Funds (Economic Stabilization Fund).  
\*\*Method of Financing modified by House Bill 10, Sec. 19. \$126.0 million in General Revenue Funds replaced with Other Funds (Economic Stabilization Fund).  
\*\*\*Method of Financing modified by House Bill 10, Sec. 4, and Article II, Special Provisions, Sec. 55. \$200.0 million in General Revenue Funds replaced with Other Funds (Economic Stabilization Fund).

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES  
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$	280,149,877	\$	315,636,827
Other Personnel Costs		7,204,742		7,204,743
Professional Fees and Services		23,768,486		19,460,324
Fuels and Lubricants		10,608		10,608
Consumable Supplies		4,856,380		6,274,820
Utilities		6,739,137		7,403,567
Travel		20,467,655		23,902,063
Rent - Building		20,570,545		20,570,545
Rent - Machine and Other		2,213,852		1,422,918
Other Operating Expense		45,953,524		48,645,010
Client Services		613,082,782		602,393,697
Capital Expenditures		7,125,813		7,326,884

Total, Object-of-Expense Informational Listing \$ 1,032,143,401 \$ 1,060,252,006

Estimated Allocations for Employee Benefits and Debt  
Service Appropriations Made Elsewhere in this Act:

Employee Benefits

Retirement	\$	15,685,960	\$	17,333,608
Group Insurance		54,756,024		63,390,850
Social Security		19,529,194		21,904,604
Benefits Replacement		2,966,814		2,917,298

Subtotal, Employee Benefits \$ 92,937,992 \$ 105,546,360

Debt Service

Lease Payments	\$	623,770	\$	686,838
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Total, Estimated Allocations for Employee  
Benefits and Debt Service Appropriations Made  
Elsewhere in this Act \$ 93,561,762 \$ 106,233,198

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of Family and Protective Services. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Family and Protective Services. In order to achieve the objectives and service standards established by this Act, the Department of Family and Protective Services shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2006	2007
<b>A. Goal: PROTECTIVE SERVICES</b>		
<b>Outcome (Results/Impact):</b>		
Average Hold Time (in Minutes) for Statewide Intake Phone Calls in the English Queue	5	5
Percent of Children in FPS Conservatorship for Whom Legal Resolution Was Achieved within 12 Months	61.7%	61.7%
Percent of Children in FPS Conservatorship for Whom Permanency Was Achieved within 18 Months	87%	87%
Percent of Adoptions Consummated within 18 Months of Termination of Parental Rights	74%	74%
Child Protective Services Caseworker Turnover Rate	23%	23%
Percent of CYD Youth Not Referred to Juvenile Probation	97.7%	97.7%
Percent of Elderly Persons and Persons with Disabilities Found to Be in a State of Abuse/Neglect/Exploitation Who Receive Protective Services	86%	86%
Incidence of Abuse/Neglect/Exploitation per 1,000 Persons Receiving Services in Mental Health and Mental Retardation Settings	3.4	3.4
Percent of Validated Occurrences Where Children Are Placed at Serious Risk	36.1%	36.1%
<b>A.1.1. Strategy: STATEWIDE INTAKE SERVICES</b>		
<b>Output (Volume):</b>		
Number of CPS Reports of Child Abuse/Neglect	215,637	234,902
<b>A.2.1. Strategy: CPS DIRECT DELIVERY STAFF</b>		
<b>Output (Volume):</b>		
Number of Completed CPS Investigations	174,666	192,619
Number of Confirmed CPS Cases of Child Abuse/Neglect	43,666	48,155
Average Number of Open CPS Investigations Per Month	37,010	40,814
Number of Children in FPS Conservatorship Who Are Adopted	2,774	2,830

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES  
(Continued)

<b>Efficiencies:</b>		
Average Monthly Cost Per Open CPS Investigation	144.19	157.49
CPS Workload Equivalency Measure (WEM)	27.3	26
<b>A.2.3. Strategy: TWC FOSTER DAY CARE</b>		
<b>Output (Volume):</b>		
Average Number of Days of TWC Foster Day Care Paid Per Month	20,807	20,807
<b>A.2.4. Strategy: TWC PROTECTIVE DAY CARE</b>		
<b>Output (Volume):</b>		
Average Number of Days of TWC Protective Day Care Paid Per Month	47,928	47,928
<b>A.2.10. Strategy: FOSTER CARE PAYMENTS</b>		
<b>Output (Volume):</b>		
Average Number of Days Per Month of Foster Care for All Levels of Care	563,381	585,725
Average Number of Children (FTE) Served in Paid Foster Care Per Month	18,522	19,257
<b>Efficiencies:</b>		
Average Expenditures for Foster Care Per Month for All Levels of Care	30,197,742	31,207,648
Average Monthly Payment Per Child (FTE) in Paid Foster Care	1,630.36	1,620.61
<b>A.2.11. Strategy: ADOPTION SUBSIDY PAYMENTS</b>		
<b>Output (Volume):</b>		
Average Number of Children Provided Adoption Subsidy Per Month	19,639	21,159
<b>Efficiencies:</b>		
Average Monthly Payment Per Adoption Subsidy	460.39	451.3
<b>A.2.12. Strategy: STAR PROGRAM</b>		
<b>Output (Volume):</b>		
Average Number of STAR Youth Served Per Month	6,218	6,218
<b>A.2.13. Strategy: CYD PROGRAM</b>		
<b>Output (Volume):</b>		
Average Number of CYD Youth Served Per Month	8,937	8,937
<b>A.3.1. Strategy: APS DIRECT DELIVERY STAFF</b>		
<b>Output (Volume):</b>		
Number of Completed APS Investigations	65,477	67,025
Number of Confirmed APS Investigations	47,452	48,574
<b>Efficiencies:</b>		
Average Monthly Cost Per APS Investigation	154.72	156.87
APS Workload Equivalency Measure (WEM)	30.2	29.1
<b>A.3.3. Strategy: MH and MR INVESTIGATIONS</b>		
<b>Output (Volume):</b>		
Number of Completed Investigations in Mental Health and Mental Retardation Settings	8,570	8,928
<b>Efficiencies:</b>		
Average Monthly Cost Per Investigation in Mental Health and Mental Retardation Settings	586.86	576.88
<b>A.4.1. Strategy: CHILD CARE REGULATION</b>		
<b>Output (Volume):</b>		
Number of New Licenses, Certifications, Registrations and Listings Issued	4,200	4,224
<b>Efficiencies:</b>		
Average Cost Per Issuance	757.2	880.11

2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2006	2007
a. Acquisition of Information Resource Technologies		
(1) Desktop Services Lease for Computer Hardware and Software	\$ 4,454,901	\$ 4,700,191
(2) IMPACT Operational Enhancement	2,466,900	600,000
(3) Infrastructure Upgrades (MLPP)	1,037,991	300,430
(4) IMPACT Enhancements - APS Reform	237,600	0
(5) APS/MHMR Mobile Caseworker	1,046,312	1,092,398
(6) APS Telemedicine Automation	51,000	0
(7) IMPACT Enhancements - CPS Reform	2,199,050	2,199,050
(8) Mobile Caseworker System - CPS Reform	7,394,965	4,236,955



**DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES**  
(Continued)

(9) Telemedicine - CPS Reform	85,000	804,100
(10) IMPACT Hardware - CPS Reform	799,244	624,000
(11) Statewide Intake Technology (MLPP)	237,346	182,615
(12) Desktop Services Lease for Computer Hardware and Software - CPS Reform	\$ 759,705	\$ 1,001,883
Total, Acquisition of Information Resource Technologies	\$ 20,770,014	\$ 15,741,622
Total, Capital Budget	\$ 20,770,014	\$ 15,741,622

\* Method of Financing (Capital Budget):

<u>General Revenue Fund</u>		
General Revenue Fund	\$ 4,634,832	\$ 2,520,347
GR Match for Medicaid	340,489	272,602
Subtotal, General Revenue Fund	\$ 4,975,321	\$ 2,792,949
Federal Funds	6,941,148	5,833,585
Economic Stabilization Fund	8,853,545	7,115,088
Total, Method of Financing	\$ 20,770,014	\$ 15,741,622

- 3. Limitation on Expenditures for Conservatorship Suits.** To the extent allowed by federal regulation, federal funds may be used by the department in conjunction with funds provided by counties with which the department has child welfare contracts, to pay for legal representation for children or their parents in suits in which the department is seeking to be named conservator. No general revenue funds appropriated to the department may be used to make such payments.
- 4. Appropriation of Funds from Counties, Cities, and Other Local Sources.** All funds received by the department from counties, cities, and other local sources and all balances from such sources as of August 31, 2005, are hereby appropriated for the biennium ending August 31, 2007, for the purpose of carrying out the provisions of this Act. (Estimated to be \$0)
- 5. Accounting of Support Costs.** The State Comptroller shall establish separate accounts from which certain support costs shall be paid. The Department of Family and Protective Services is hereby authorized to make transfers into separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs, and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.
- 6. Tertiary Prevention of Child Abuse Programs.** From the amounts appropriated above, the Department of Family and Protective Services shall allocate up to \$120,000 each fiscal year of the biennium for continuation of a statewide network of community-based, volunteer-driven programs for prevention, intervention, and aftercare services of abused children.
- 7. Foster Care Rates.**
- a. It is the intent of the Legislature that the Department of Family and Protective Services reimburse foster families at least \$17.12 per day for children under 12 years old and \$17.50 per day for children age 12 and older during the 2006-07 biennium. The department may transfer funds into Strategy A.2.10, Foster Care Payments, for the purpose of maintaining these rates. The department may not transfer funds out of Strategy A.2.10, Foster Care Payments, without the prior written approval of the Legislative Budget Board and the Governor.
- b. The department may also use funds in Strategy A.2.10, Foster Care Payments, to recommend alternate service provision intake and investigation that will consider expansion of contract services, regional planning, service outcomes, and appropriate funding mechanisms to be tested in pilot projects. Such pilot approaches to innovative

\*Method of Financing modified by House Bill 10, Sec. 4, and Article II, Special Provisions, Sec. 55. \$16.0 million in General Revenue Funds replaced with Other Funds (Economic Stabilization Fund).

## DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

(Continued)

service delivery shall be designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State. The department may include a modification of rates for new pilot approaches implemented in this manner.

- c. The department may utilize up to \$15,582,241 from funds appropriated above in Strategy A.2.10, Foster Care Payments, for statewide expansion of the relative placement reimbursement pilot program. The department shall conduct an evaluation of the program.

- 8. **Fund Transfers for Funds Consolidation.** For the purpose of funds consolidation, federal and other funds may be transferred into the General Revenue Fund from Department of Family and Protective Services Fund 37. The initial deposit of federal funds shall be made into Fund 37 and no direct expenditures shall be made from this fund.
- 9. **Reimbursement of Advisory Committees.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed \$8,500 per year, is limited to the Texas Multidisciplinary Task Force on Children's Justice.

To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

### 10. Appropriation and Reporting of Earned Federal Funds.

- a. The Department of Family and Protective Services shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.
- b. The authority to receive and expend earned federal funds in excess of those appropriated above is subject to the following limitations:
  - (1) At least 45 days prior to budgeting or expending earned federal funds above levels indicated in the appropriation above, the department shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board, Governor, and Health and Human Services Commission.
  - (2) Notifications shall include information regarding the need which will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.
  - (3) Notifications shall also identify the impact on established performance targets, measures, and full-time equivalent positions.
- c. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2005 (estimated to be \$405,533), and receipts earned in fiscal years 2006 and 2007.

- 11. **Substitute Care Permanency Goal.** In order to comply with 45 CFR 1356.21, it is the intent of the Legislature that the Department of Family and Protective Services actively seek permanent homes for the children who are in the department's substitute care program for long periods. To this end, the department shall seek to limit the number of children under the department's responsibility who are in substitute care for a period longer than 24 months. The department shall strive to assure that no more than 45 percent of the children in paid placements are in substitute care for more than 24 months for fiscal years 2006 and 2007.

Further, it is the intent of the Legislature that whenever possible, the department shall utilize state and/or federal funds currently being expended for substitute care to cover the cost of assuring permanent homes where appropriate for foster children.

## DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

(Continued)

### 12. Other Reporting Requirements.

- a. **Federal Reports.** The Department of Family and Protective Services shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government:
  - (1) Notification of proposed State Plan amendments or waivers for the Medicaid program, the Foster Care and Adoption Assistance program, the Temporary Assistance for Needy Families program, the Child Welfare Services program, and any other federal grant requiring a state plan. State plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committees.
  - (2) A copy of each report or petition submitted to the federal government relating to the Medicaid program, the Foster Care and Adoption Assistance program, the Temporary Assistance for Needy Families program, the Child Welfare Services program, and any other federal grant requiring a state plan, including expenditure reports and cost allocation revisions.
- b. **Federal Issues.** The Department of Family and Protective Services shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more than \$1 million in federal revenue assumed in the appropriations act.
- c. **Monthly Financial Reports.** The Department of Family and Protective Services shall submit the following information to the Legislative Budget Board and the Governor on a monthly basis:
  - (1) Information on appropriated, budgeted, expended, and projected funds, by strategy and method of finance.
  - (2) Narrative explanations of significant budget adjustments, ongoing budget issues, and other items as appropriate.
  - (3) Any other information requested by the Legislative Budget Board or the Governor.

The monthly financial reports shall be prepared in a format specified by the Legislative Budget Board.

### 13. Appropriation Transfer Between Fiscal Years.

In addition to the transfer authority provided elsewhere in this Act, the Department of Family and Protective Services may transfer appropriations made above for Strategy A.2.10, Foster Care Payments and Strategy A.2.11, Adoption Subsidy Payments, for fiscal year 2007 to fiscal year 2006, subject to the following conditions provided by this section:

- a. Transfers under this section may be made only if costs associated with providing foster care or adoption subsidy payments exceed the funds appropriated for these payments for fiscal year 2006;
- b. A transfer authorized by this section must receive the prior approval of the Legislative Budget Board and the Governor; and
- c. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

### 14. Limitation on Expenditures for Administrative Overhead.

Funds appropriated above in Strategy A.2.3, TWC Foster Day Care, and Strategy A.2.4, TWC Protective Day Care, may be used only to purchase child day care services through the Texas Workforce Commission.

The Department of Family and Protective Services' expenditures for administrative overhead payments to the Texas Workforce Commission and local workforce boards in connection with any agreement to provide child day care services out of funds appropriated above shall be limited to no more than 5 percent of all amounts paid for child day care services out of funds appropriated above.

## DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

(Continued)

15. **Human Resources Management Plan.** From funds appropriated above, the Texas Department of Family and Protective Services shall develop a Human Resources Management Plan designed to improve employee morale and retention. The plan must focus on reducing employee turnover through better management. The Texas Department of Family and Protective Services shall report semi-annually to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor the employee turnover rate, by job category, at the agency during the preceding twelve months. The effectiveness of the agency's plan shall be measured by whether there is a reduction in employee turnover rates at the agency, specifically by the reduction in the turnover rates for caseworkers.
16. **Use of Personal Cellular Telephones.** Out of funds appropriated above, the Department of Family and Protective Services shall pay child and adult protective services program caseworkers, supervisors, directors and residential child-care licensing investigators, an amount not to exceed \$50 per month for work-related use of their personal cellular telephones.
17. **Provision of Direct Services.** The Children's Trust Fund state plan for child abuse and neglect primary prevention programs shall emphasize funding for programs that provide direct services such as mentoring, parenting skills, early intervention and prevention, services for high-risk parents, and services to families in crisis.
18. **Appropriation of Unexpended Balances.** All unexpended balances appropriated above to Strategy A.2.12, STAR Program, Strategy A.2.13, CYD Program, Strategy A.2.14, Texas Families Program, Strategy A.2.15, Child Abuse Prevention Grants, Strategy A.2.16, Other At-Risk Prevention Programs, and Strategy A.2.17, At-Risk Prevention Program Support, for the fiscal year ending August 31, 2006, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2006.
19. **Adult Protective Services and Mental Health and Mental Retardation Investigations.** Out of the funds appropriated above for Strategy A.3.1, APS Direct Delivery Staff, Strategy A.3.2, APS Program Support, and Strategy A.3.3, MH and MR Investigations, the Department of Family and Protective Services shall maximize the use of federal Medicaid funding.
20. **Training for CPS Caseworkers.** It is the intent of the Legislature that the training curriculum for CPS Caseworkers funded out of Strategy A.2.2, CPS Program Support, include instruction in the Fourth Amendment to the U.S. Constitution and parents' rights.
21. **Faith-based Foster Family Recruitment and Training.** From funds appropriated above, up to \$500,000 in fiscal year 2006 and up to \$706,000 in fiscal year 2007 shall be used for the purposes of developing and implementing a program to recruit and train foster families from faith-based communities.
22. **Limitation on Transfers: CPS and APS Direct Delivery Staff.**

**Funding.** Notwithstanding any other transfer provision in this Act, none of the funds appropriated by this Act to the Department of Family and Protective Services for Strategy A.2.1, CPS Direct Delivery Staff, and Strategy A.3.1, APS Direct Delivery Staff, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor.

**Full-time-equivalent (FTE) Positions.** Out of the FTE positions appropriated above to the Department of Family and Protective Services, 4,675.2 positions for fiscal year 2006 and 4,675.2 positions for fiscal year 2007 are allocated to Strategy A.2.1, CPS Direct Delivery Staff, and 579.0 positions for fiscal year 2006 and 610.0 positions for fiscal year 2007 are allocated to Strategy A.3.1, APS Direct Delivery Staff.

Notwithstanding any other transfer provision in this Act, none of the FTEs allocated by this Act to the Department of Family and Protective Services for Strategy A.2.1, CPS Direct Delivery Staff, and Strategy A.3.1, APS Direct Delivery Staff, may be transferred to any other item of appropriation or utilized for any purpose other than the specific purpose for which the FTEs are allocated without the prior written approval of the Legislative Budget Board and the Governor.

## DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

(Continued)

- 23. Reimbursement of Advisory Council Members.** Pursuant to Human Resources Code §117.027, reimbursement of expenses for Family and Protective Services Council members, out of funds appropriated above, is hereby authorized such that the sum total of all reimbursements for members of the Council shall not exceed \$5,700 per fiscal year.
- 24. Caseload Per Worker Reporting Requirements.** The Department of Family and Protective Services shall report to the Legislative Budget Board and the Governor, by October 1 of each year of the biennium, caseload per worker data for each protective services program for the previous fiscal year. The report shall be prepared in a format specified by the Legislative Budget Board.
- 25. Payment of August 2007 Foster Care Payments.** Funds appropriated above include a reduction of \$34,278,127 in All Funds, including \$12,400,000 in General Revenue Funds, in Strategy A.2.10, Foster Care Payments, for the August 2007 foster care payment. The Department of Family and Protective Services is authorized to defer payment of the August 2007 payment until September of 2007.
- 26. Regional Funding Methodology.** None of the funds appropriated above for Adult Protective Services to the Department of Family and Protective Services for fiscal years 2006 and 2007 shall be expended or distributed unless the department puts into effect, by September 1, 2005, a regional funding methodology that removes the use of closed abuse or neglect cases for distributional purposes. The department shall report the details of the new methodology to the Legislative Budget Board and the Governor as soon as possible after the effective date of this Act. The Legislative Budget Board and the Governor shall work with the department regarding appropriate performance measures regarding this new methodology.
- 27. Performance Measure Improvements.** The Department of Family and Protective Services shall work with the Legislative Budget Board and the Governor to modify current Child Protective Services (CPS) performance measures which may have the effect of encouraging case closures. Examples of these would include "Number of Completed CPS Investigations" and "Average Number of Open CPS Investigations per Month." The department shall work on performance measures that more accurately reflect workload and reduce pressure to close cases prematurely. Examples might include "Number of Assigned Investigations per Month" and "Abuse Rates per 1,000 Population."
- 28. At-Risk Prevention Programs.** The Department of Family and Protective Services may only use funds appropriated above in Strategy A.2.16, Other At-Risk Prevention Programs, for at-risk prevention services that are competitively procured.
- 29. Reporting Requirement on Minority Child Removals.** The Department of Family and Protective Services shall report, by October 1 of each year of the biennium, to the House Appropriations Committee, the Senate Finance Committee, the Legislative Budget Board, and the Governor, the number of children removed from their homes by child protective services and the number of children investigated, by ethnic group, in the seven largest urban regions of the state during the preceding fiscal year. The Department may include the information in an existing report or a new report.
- \* **30. Funding Allocation Plan for CPS Reform Appropriations.** Funds appropriated above in Strategy C.1.1, CPS Reform (or House Bill 10), include \$200,039,844 in Other Funds (Economic Stabilization Fund) and \$248,100,549 in All Funds, for the following purposes in amounts as estimated:

	2006	FTEs	2007	FTEs
Salary and Other Support Costs for Direct Delivery Staff	\$28,745,567	822.0	\$61,780,156	1,519.0
Regional Screeners	\$ 2,016,635	41.0	\$ 1,851,821	41.0
Case Records Compliance	\$ 1,059,100	20.0	\$ 644,380	20.0

\*House Bill 10, Sec. 4, and Article II, Special Provisions, Sec. 55, changed Method of Financing from General Revenue Funds to Other Funds (Economic Stabilization Fund).

**DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES**  
(Continued)

Functional Units for All Stages of Service	\$ 11,499,174	383.0	\$26,664,296	758.0
Expanded Training	\$ 3,560,542	33.0	\$ 2,782,359	50.0
Technology (Mobile Caseworker)	\$ 8,558,850		\$ 5,692,426	
Forensic Medical Assessment and Telemedicine	\$ 546,664		\$ 3,804,916	
IMPACT Modifications	\$ 2,199,050		\$ 2,199,050	
Purchased Client Services	\$21,660,111		\$21,660,111	
Salary Package	\$ 9,162,176		\$ 9,331,987	
Child Safety Specialists	\$ 1,155,564	20.0	\$ 1,064,502	20.0
Diligent Search and Background Check Staff	\$ 225,551	6.0	\$ 189,286	6.0
CPS Management Structure	\$ 6,530,927	116.0	\$ 6,096,964	116.0
Agency Operations Support	\$ 1,220,092	28.0	\$ 1,059,472	28.0
Human Resources Contract Cost Increase	\$ 364,743		\$ 378,008	
Foster Care Residential Contract Management and SAO Audits	\$ 500,000		\$ 500,000	
Independent Administrator And Evaluation Costs	\$ 1,000,000		\$ 1,450,388	
Contract Oversight and Program Quality Assurance			\$ 445,681	10.0
Transition of Agency Staff (One Region Beginning 4/1/07)				(45.0)
Foster Care Child Passport	\$ 500,000			
<b>Total CPS Reform</b>	<b>\$100,504,746</b>	<b>1,469.0</b>	<b>\$147,595,803</b>	<b>2,523.0</b>
<b>Method of Financing:</b>				
* Economic Stabilization Fund	\$81,478,439		\$118,561,405	
Federal Funds	\$19,026,307		\$ 29,034,398	
<b>Total, All Funds</b>	<b>\$100,504,746</b>		<b>\$147,595,803</b>	

Funds appropriated above in Strategy C.1.1, CPS Reform (or House Bill 10) shall be expended in accordance with the following conditions:

- a. The Department of Family and Protective Services shall submit to the Legislative Budget Board and the Governor, by September 1, 2005, an expenditure plan for fiscal year 2006 and fiscal year 2007, that includes quarterly goals relating to caseworker recruitment, retention, and workload; identifies the amounts expected to be expended (by purpose and method of finance); identifies the impact on full-time-equivalent positions; and recommends adjustments

\*House Bill 10, Sec. 4, and Article II, Special Provisions, Sec. 55, changed Method of Financing from General Revenue Funds to Other Funds (Economic Stabilization Fund).

**DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES**  
(Continued)

- to key performance measure targets and the capital budget. Not later than 30 days following the close of each fiscal quarter, the Department shall update the expenditure plan and report on the progress and status of the CPS reform initiative.
- b. The Department of Family and Protective Services shall notify the Legislative Budget Board and the Governor at least 30 days prior to making an expenditure for a purpose not listed above or for a purpose listed above in an amount which is more than 10 percent greater than the amount estimated. The notification shall be in writing and indicate the need for the expenditure; the amounts that will be expended (by purpose and method of finance); and the impact of these expenditures on quarterly goals, full-time-equivalent positions, key performance measure targets, and the capital budget.

## DEPARTMENT OF STATE HEALTH SERVICES

	For the Years Ending	
	August 31, 2006	August 31, 2007
<b>Method of Financing:</b>		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 429,243,806	\$ 431,485,069
Earned Federal Funds	4,148,726	4,148,726
GR for Mental Health Block Grant	209,015,648	209,355,632
GR for Substance Abuse Prevention and Treatment Block Grant	23,972,036	24,049,928
GR for Maternal and Child Health Block Grant	41,277,654	41,277,655
GR for HIV Services	34,734,735	34,734,736
GR Match for Medicaid	6,606,247	6,605,609
GR Certified as Match for Medicaid	66,706,222	66,745,801
Vendor Drug Rebates—Public Health, estimated	1,722,113	1,293,665
Subtotal, General Revenue Fund	\$ 817,427,187	\$ 819,696,821
<u>General Revenue Fund - Dedicated</u>		
Perpetual Care Account No. 8076, estimated	143,000	143,000
Public Health Laboratory Financing Fees (formerly 3595)	2,894,786	2,874,519
WIC Rebates (formerly 3597), estimated	191,395,476	191,395,476
Permanent Fund for Health and Tobacco Education and Enforcement Account No. 5044, estimated	5,481,649	5,742,649
Permanent Fund Children & Public Health Account No. 5045, estimated	4,240,000	4,391,000
Permanent Fund for EMS & Trauma Care Account No. 5046, estimated	4,140,000	4,185,500
Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease Account No. 5048, estimated	1,042,000	1,076,000
State Owned Multicategorical Teaching Hospital Account No. 5049	10,000,000	10,000,000
EMS, Trauma Facilities, Trauma Systems Account No. 5108	2,377,422	2,377,422
Trauma Facility/EMS Account No. 5111	31,792,507	31,792,507
Animal Friendly Account No. 5032	500,000	UB
Advisory Commission on Emergency Communications Account No. 5007	1,819,970	1,819,970
Children with Special Healthcare Needs Account No. 5009	6,664	6,664
Asbestos Removal Licensure Account No. 5017	2,024,577	2,024,577
Workplace Chemicals List Account No. 5020	594,943	594,943
Certificate of Mammography Systems Account No. 5021	358,576	358,576
Oyster Sales Account No. 5022	252,000	252,000
Food and Drug Registration Account No. 5024	3,572,997	3,572,997
Vital Statistics Account No. 019	2,505,090	2,505,090
Texas Department of Insurance Operating Fund Account No. 036	5,700,000	5,800,000
Hospital Licensing Account No. 129	955,453	955,453
Food and Drug Fee Account No. 341	1,501,002	1,501,002
Bureau of Emergency Management Account No. 512	859,591	859,591
Public Health Services Fee Account No. 524	6,511,384	7,997,602
Subtotal, General Revenue Fund - Dedicated	\$ 280,669,087	\$ 282,226,538
Federal Funds	1,140,859,123	1,140,563,709
<u>Other Funds</u>		
Appropriated Receipts	5,927,535	5,903,735
State Chest Hospital Fees and Receipts	2,050,000	2,050,000
DSHS Public Health Medicaid Reimbursements	9,563,871	11,572,783
MH Collections for Patient Support and Maintenance	6,690,898	6,690,898
MH Revolving Fund Receipts	795,500	795,500
MH Appropriated Receipts	5,633,405	5,633,406
MH Medicare Receipts	13,797,339	13,797,339



**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

Interagency Contracts	51,543,953	51,671,050
Bond Proceeds - General Obligation Bonds	38,736,582	17,891,000
Subtotal, Other Funds	\$ 134,739,083	\$ 116,005,711

<b>Total, Method of Financing</b>	<b>\$ 2,373,694,480</b>	<b>\$ 2,358,492,779</b>
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<b>Other Direct and Indirect Costs Appropriated Elsewhere in this Act</b>	<b>\$ 8,798,519</b>	<b>\$ 9,046,890</b>
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**This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.**

<b>Number of Full-Time-Equivalents (FTE):</b>	<b>11,807.2</b>	<b>11,807.2</b>
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<b>Schedule of Exempt Positions:</b>		
Commissioner, Group 6	\$175,000	\$175,000

**Items of Appropriation:**

**A. Goal: PREPAREDNESS AND PREVENTION**

Preparedness and Prevention Services.

<b>A.1.1. Strategy:</b> COORDINATED PUBLIC HEALTH Coordinated Public Health Services.	\$ 9,507,221	\$ 9,507,221
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<b>A.1.2. Strategy:</b> PUBLIC HEALTH PREPAREDNESS Ensure Public Health Preparedness.	\$ 84,909,628	\$ 84,876,295
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<b>A.1.3. Strategy:</b> MAINTAIN VITAL RECORDS	\$ 5,659,569	\$ 5,659,569
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<b>A.1.4. Strategy:</b> SPECIAL HEALTH INITIATIVES Coordinate Special Health Initiatives.	\$ 1,799,271	\$ 1,799,271
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<b>A.1.5. Strategy:</b> REGISTRIES, INFORMATION, & ANALYSIS Health Registries, Information, and Analysis.	\$ 19,554,745	\$ 19,679,745
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<b>A.2.1. Strategy:</b> IMMUNIZE CHILDREN & ADULTS IN TEXAS Immunize Children and Adults in Texas.	\$ 48,371,768	\$ 48,680,497
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<b>A.2.2. Strategy:</b> HIV/STD AND HEPATITIS C PREVENTION	\$ 146,090,418	\$ 150,096,624
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<b>A.2.3. Strategy:</b> TB, HANSEN'S & REFUGEE HEALTH Tuberculosis, Hansen's Disease and Refugee Health.	\$ 18,860,474	\$ 18,963,809
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<b>A.2.4. Strategy:</b> ZOONOTIC DISEASES Reduce the Incidence of Zoonotic Diseases.	\$ 4,737,981	\$ 4,237,981
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<b>A.2.5. Strategy:</b> INFECTIOUS DISEASE EPI/SURVEILLANCE Infectious Disease Epidemiology and Surveillance.	\$ 1,759,563	\$ 1,759,563
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<b>A.3.1. Strategy:</b> CARDIOVASCULAR, DIABETES, & INJURY Cardiovascular Disease, Diabetes, and Injury Prevention.	\$ 6,457,236	\$ 6,457,236
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<b>A.3.2. Strategy:</b> ABSTINENCE EDUCATION	\$ 5,339,113	\$ 5,339,113
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<b>A.3.3. Strategy:</b> KIDNEY HEALTH CARE	\$ 22,750,534	\$ 22,750,322
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<b>A.3.4. Strategy:</b> CHILDREN WITH SPECIAL NEEDS Children with Special Health Care Needs.	\$ 37,759,351	\$ 38,143,198
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<b>A.3.5. Strategy:</b> EPILEPSY, HEMOPHILIA, & ALZHEIMER'S Epilepsy, Hemophilia, and Alzheimer's Disease.	\$ 1,346,222	\$ 1,346,222
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<b>A.4.1. Strategy:</b> LABORATORY SERVICES	\$ 29,346,627	\$ 30,305,729
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<b>Total, Goal A: PREPAREDNESS AND PREVENTION</b>	<b>\$ 444,249,721</b>	<b>\$ 449,602,395</b>
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# **DEPARTMENT OF STATE HEALTH SERVICES** (Continued)

<b>B. Goal: COMMUNITY HEALTH SERVICES</b>			
<b>B.1.1. Strategy:</b> WIC/FARMER'S MARKET NUTRITION SVCS	\$	666,089,352	\$ 668,789,370
Provide WIC Services: Benefits, Nutrition Education & Counseling.			
<b>B.1.2. Strategy:</b> WOMEN & CHILDREN'S HEALTH SERVICES	\$	66,536,650	\$ 66,503,319
Women and Children's Health Services.			
<b>B.1.3. Strategy:</b> FAMILY PLANNING SERVICES	\$	54,908,126	\$ 54,874,793
<b>B.1.4. Strategy:</b> COUNTY INDIGENT HEALTH CARE SVCS	\$	7,057,076	\$ 7,060,175
County Indigent Health Care Services.			
<b>B.1.5. Strategy:</b> COMMUNITY PRIMARY CARE SERVICES	\$	13,130,113	\$ 13,096,780
<b>B.2.1. Strategy:</b> MENTAL HEALTH SVCS-ADULTS	\$	293,028,651	\$ 293,109,585
Mental Health Services for Adults.			
<b>B.2.2. Strategy:</b> MENTAL HEALTH SVCS-CHILDREN	\$	64,601,922	\$ 64,581,346
Mental Health Services for Children.			
<b>B.2.3. Strategy:</b> NORTHSTAR BEHAV HLTH WAIVER	\$	97,846,812	\$ 97,846,812
NorthSTAR Behavioral Health Waiver.			
<b>B.2.4. Strategy:</b> SUBSTANCE ABUSE PREVENTION	\$	44,509,994	\$ 44,746,618
<b>B.2.5. Strategy:</b> SUBSTANCE ABUSE INTERVENTION	\$	16,529,915	\$ 16,506,096
<b>B.2.6. Strategy:</b> SUBSTANCE ABUSE TREATMENT	\$	96,609,978	\$ 95,748,106
<b>B.2.7. Strategy:</b> SUBSTANCE ABUSE GRANT MONITORING	\$	2,308,415	\$ 2,141,746
<b>B.2.8. Strategy:</b> REDUCE USE OF TOBACCO PRODUCTS	\$	6,991,538	\$ 7,032,882
Develop a Statewide Program to Reduce the Use of Tobacco Products.			
<b>B.3.1. Strategy:</b> EMS AND TRAUMA CARE SYSTEMS	\$	40,336,738	\$ 40,336,738
<b>B.3.2. Strategy:</b> FQHC INFRASTRUCTURE GRANTS	\$	5,000,000	\$ 5,000,000
<b>B.3.3. Strategy:</b> INDIGENT HEALTH CARE REIMBURSEMENT	\$	10,000,000	\$ 10,000,000
Indigent Health Care Reimbursement (UTMB).			
<b>Total, Goal B: COMMUNITY HEALTH SERVICES</b>	\$	1,485,485,280	\$ 1,487,374,366
<b>C. Goal: HOSPITAL FACILITIES AND SERVICES</b>			
Hospital Facilities Management and Services.			
<b>C.1.1. Strategy:</b> TX CENTER FOR INFECTIOUS DISEASE	\$	9,257,061	\$ 9,257,061
Texas Center for Infectious Disease.			
<b>C.1.2. Strategy:</b> SOUTH TEXAS HEALTH CARE SYSTEM	\$	6,835,529	\$ 6,835,529
<b>C.1.3. Strategy:</b> MENTAL HEALTH STATE HOSPITALS	\$	273,056,158	\$ 273,056,160
<b>C.2.1. Strategy:</b> MENTAL HEALTH COMMUNITY HOSPITALS	\$	20,164,248	\$ 20,164,248
<b>Total, Goal C: HOSPITAL FACILITIES AND SERVICES</b>	\$	309,312,996	\$ 309,312,998
<b>D. Goal: CONSUMER PROTECTION SERVICES</b>			
<b>D.1.1. Strategy:</b> FOOD (MEAT) AND DRUG SAFETY	\$	17,594,098	\$ 17,564,098
<b>D.1.2. Strategy:</b> ENVIRONMENTAL HEALTH	\$	6,567,250	\$ 6,567,250
<b>D.1.3. Strategy:</b> RADIATION CONTROL	\$	7,722,589	\$ 7,722,590
<b>D.1.4. Strategy:</b> HEALTH CARE PROFESSIONALS	\$	6,371,987	\$ 6,371,987
<b>D.1.5. Strategy:</b> HEALTH CARE FACILITIES	\$	6,084,255	\$ 6,197,255
<b>Total, Goal D: CONSUMER PROTECTION SERVICES</b>	\$	44,340,179	\$ 44,423,180
<b>E. Goal: INDIRECT ADMINISTRATION</b>			
<b>E.1.1. Strategy:</b> CENTRAL ADMINISTRATION	\$	15,074,633	\$ 15,074,634
<b>E.1.2. Strategy:</b> IT PROGRAM SUPPORT	\$	5,234,044	\$ 5,234,044
Information Technology Program Support.			
<b>E.1.3. Strategy:</b> OTHER SUPPORT SERVICES	\$	10,350,104	\$ 10,350,104
<b>E.1.4. Strategy:</b> REGIONAL ADMINISTRATION	\$	7,028,502	\$ 7,028,500
<b>Total, Goal E: INDIRECT ADMINISTRATION</b>	\$	37,687,283	\$ 37,687,282

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

**F. Goal: CAPITAL ITEMS**

<b>F.1.1. Strategy:</b> LABORATORY (AUSTIN) BOND DEBT	\$	2,894,786	\$	2,874,519
<b>F.1.2. Strategy:</b> CONSTRUCTION - HLTH CARE FACILITIES	\$	32,326,582	\$	960,000 & UB
Construction of Health Care Facilities.				
<b>F.1.3. Strategy:</b> CAPITAL REPAIR AND RENOVATION	\$	7,885,070	\$	19,023,092 & UB
Capital Repair and Renovation - Mental Health Facilities.				
<b>F.2.1. Strategy:</b> CAPITAL ITEMS - PUBLIC HEALTH	\$	9,512,583	\$	7,234,947
<b>Total, Goal F: CAPITAL ITEMS</b>	\$	52,619,021	\$	30,092,558

<b>Grand Total, STATE HEALTH SERVICES, DEPARTMENT OF</b>	\$	2,373,694,480	\$	2,358,492,779
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<b>* Supplemental Appropriations Made in Riders:</b>	\$	15,816,484	\$	2,370,390
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**Object-of-Expense Informational Listing:**

Salaries and Wages	\$	351,327,271	\$	351,416,480
Other Personnel Costs		13,527,174		13,527,174
Professional Fees and Services		57,606,310		62,568,755
Fuels and Lubricants		543,852		543,852
Consumable Supplies		10,399,132		10,396,733
Utilities		15,874,921		15,881,671
Travel		7,286,136		7,265,990
Rent - Building		6,542,978		6,542,978
Rent - Machine and Other		2,355,259		2,355,259
Debt Service		2,894,786		2,874,519
Other Operating Expense		217,681,351		215,052,582
Client Services		846,958,137		846,372,899
Food for Persons - Wards of State		3,125,929		3,125,929
Grants		804,901,595		805,466,115
Capital Expenditures		48,486,133		17,472,233

<b>Total, Object-of-Expense Informational Listing</b>	\$	2,389,510,964	\$	2,360,863,169
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**Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:**

Employee Benefits

Retirement	\$	22,322,571	\$	22,397,696
Group Insurance		80,966,379		88,011,115
Social Security		27,883,139		28,440,801
Benefits Replacement		4,944,690		4,862,163

Subtotal, Employee Benefits	\$	136,116,779	\$	143,711,775
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Debt Service

TPFA GO Bond Debt Service	\$	13,962,408	\$	16,623,191
Lease Payments		2,211,102		2,299,535

Subtotal, Debt Service	\$	16,173,510	\$	18,922,726
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**Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act**

\$	152,290,289	\$	162,634,501
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\*Incorporates Article IX contingency appropriations for Sections 14.03, 14.05, 14.08, 14.14, 14.15, 14.23, and 14.55. Biennial amounts total \$16,767,070 in General Revenue funds and \$1,419,804 in General Revenue-Dedicated funds.

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

- 1. Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of State Health Services. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of State Health Services. In order to achieve the objectives and service standards established by this Act, the Department of State Health Services shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2006</u>	<u>2007</u>
<b>A. Goal: PREPAREDNESS AND PREVENTION</b>		
<b>Outcome (Results/Impact):</b>		
Vaccination Coverage Levels among Children Aged 19 to 35 Months	82%	82%
<b>A.1.2. Strategy: PUBLIC HEALTH PREPAREDNESS</b>		
<b>Output (Volume):</b>		
Number of Educational Hours Provided on Bioterrorism and Public Health Preparedness	37,290	41,000
<b>A.1.3. Strategy: MAINTAIN VITAL RECORDS</b>		
<b>Efficiencies:</b>		
Average Number of Days to Certify or Verify Records	15	15
<b>A.1.5. Strategy: REGISTRIES, INFORMATION, &amp; ANALYSIS</b>		
<b>Output (Volume):</b>		
Number of Requests for Data and Information Completed	96,500	96,500
<b>A.2.1. Strategy: IMMUNIZE CHILDREN &amp; ADULTS IN TEXAS</b>		
<b>Output (Volume):</b>		
Number of Doses Administered	12,172,394	12,458,043
<b>Explanatory:</b>		
Dollar Value (in Millions) of Vaccine Provided by the Federal Government	101	101
<b>A.2.2. Strategy: HIV/STD AND HEPATITIS C PREVENTION</b>		
<b>Output (Volume):</b>		
Number of Persons Served by the HIV Medication Program	14,851	15,148
<b>A.2.5. Strategy: INFECTIOUS DISEASE EPI/SURVEILLANCE</b>		
<b>Output (Volume):</b>		
Number of Disease Investigations Conducted	60,000	60,000
<b>A.3.1. Strategy: CARDIOVASCULAR, DIABETES, &amp; INJURY</b>		
<b>Output (Volume):</b>		
Number of Diabetes-related Prevention Activities	200,000	200,000
<b>A.3.2. Strategy: ABSTINENCE EDUCATION</b>		
<b>Output (Volume):</b>		
Number of Persons Served in Abstinence Education Programs	298,705	308,902
<b>A.3.3. Strategy: KIDNEY HEALTH CARE</b>		
<b>Output (Volume):</b>		
Number of Kidney Health Clients Provided Services	19,725	20,415
<b>Efficiencies:</b>		
Average Cost Per Chronic Disease Service - Kidney Health Care	1,118	1,175
<b>A.3.4. Strategy: CHILDREN WITH SPECIAL NEEDS</b>		
<b>Output (Volume):</b>		
Number of CSHCN Clients Receiving Medical Services	2,232	2,293
<b>Efficiencies:</b>		
Average Cost Per CSHCN Client Receiving Medical Services	10,977	10,977
<b>A.4.1. Strategy: LABORATORY SERVICES</b>		
<b>Output (Volume):</b>		
Work Time Units Produced	19,102,000	19,354,000

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

<b>B. Goal: COMMUNITY HEALTH SERVICES</b>		
<b>Outcome (Results/Impact):</b>		
Percentage of Eligible WIC Population Served	80%	80%
Number of Infant Deaths Per Thousand Live Births (Infant Mortality Rate)	5.1	4.9
Percentage of Low Birth Weight Births	7.8%	7.8%
Prevalence of Tobacco Use among Middle & High School Youth in Pilot Target Areas of Texas	33%	33%
Percent of Youth Who Complete Treatment Programs and Report No Past Month Substance Use at Follow-up	84%	84%
Percent of Adults Who Complete Treatment Programs and Report No Past Month Substance Use at Follow-up	87%	87%
Percent of Adults Receiving Community Mental Health Services Who Were Admitted to a Level of Care (Service Package) Following Assessment	80%	80%
Percent of Adults Receiving Community Mental Health Services Whose Functional Level Stabilized or Improved	87%	87%
Percent of Children Receiving Community Mental Health Services Who Were Admitted to a Level of Care (Service Package) Following Assessment	80%	80%
Percent of Children Receiving Community Mental Health Services Whose School Behavior Improved	50%	50%
<b>B.1.1. Strategy: WIC/FARMER'S MARKET NUTRITION SVCS</b>		
<b>Output (Volume):</b>		
Number of WIC Participants Provided Nutritious Food Supplements Per Month	924,605	924,605
<b>Efficiencies:</b>		
Average Food Costs Per Person Receiving Services	33.73	34.91
<b>Explanatory:</b>		
Incidence (Percent) of Low Birth Weight Babies Born to Women, Infants and Children (WIC) Nutrition Program Mothers	6.5	6.5
<b>B.1.2. Strategy: WOMEN &amp; CHILDREN'S HEALTH SERVICES</b>		
<b>Output (Volume):</b>		
Number of Infants <1 and Children Age 1-20 Years Provided Services by the Maternal and Child Health Program	40,000	40,000
Number of Women Provided Services by the Maternal and Child Health Program	53,500	53,500
<b>B.1.3. Strategy: FAMILY PLANNING SERVICES</b>		
<b>Output (Volume):</b>		
Number of Adults and Adolescents Receiving Family Planning Services	273,986	273,986
<b>Efficiencies:</b>		
Average Annual Cost Per Family Planning Client	177.8	177.8
<b>B.1.5. Strategy: COMMUNITY PRIMARY CARE SERVICES</b>		
<b>Output (Volume):</b>		
Number of Primary Health Care Eligible Patients Provided Access to Primary Care Services	84,000	84,000
<b>B.2.1. Strategy: MENTAL HEALTH SVCS-ADULTS</b>		
<b>Output (Volume):</b>		
Average Monthly Number of Adults Receiving Community Mental Health Services	46,143	46,330
Average Monthly Number of Persons Receiving Community Mental Health New Generation Medications	17,333	17,331
<b>Efficiencies:</b>		
Average Monthly Cost Per Adult Receiving Community Mental Health Services	445	445
Average Monthly Cost of New Generation Medications Per Person Receiving Community Mental Health New Generation Medications	275	275
<b>B.2.2. Strategy: MENTAL HEALTH SVCS-CHILDREN</b>		
<b>Output (Volume):</b>		
Average Monthly Number of Children Receiving Community Mental Health Services	9,994	9,994
<b>Efficiencies:</b>		
Average Monthly Cost Per Child Receiving Community Mental Health Services	465	467

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

<b>B.2.3. Strategy:</b> NORTHSTAR BEHAV HLTH WAIVER		
<b>Output (Volume):</b>		
Average Monthly Number of Persons Covered by NorthSTAR Behavioral Health Services Waiver	1,270,815	1,270,815
<b>B.2.4. Strategy:</b> SUBSTANCE ABUSE PREVENTION		
<b>Output (Volume):</b>		
Number of Adults Served in Substance Abuse Prevention Programs	245,505	245,505
Number of Youth Served in Substance Abuse Prevention Programs	811,222	811,222
<b>B.2.5. Strategy:</b> SUBSTANCE ABUSE INTERVENTION		
<b>Output (Volume):</b>		
Number of Adults Served in Substance Abuse Intervention Programs	286,443	286,443
Number of Youth Served in Substance Abuse Intervention Programs	119,258	119,258
<b>Efficiencies:</b>		
Average Cost Per Adult for Substance Abuse Intervention Services	32	32
Average Cost Per Youth for Substance Abuse Intervention Services	39	39
<b>B.2.6. Strategy:</b> SUBSTANCE ABUSE TREATMENT		
<b>Output (Volume):</b>		
Number of Adults Served in Treatment Programs for Substance Abuse	53,756	53,756
Number of Youth Served in Treatment Programs for Substance Abuse	7,477	7,477
Number of Dual Diagnosis Clients Served for Substance Abuse	6,082	6,082
<b>Efficiencies:</b>		
Average Cost Per Adult Completing Treatment Programs for Substance Abuse	1,528	1,528
Average Cost Per Youth Completing Treatment Programs for Substance Abuse	4,098	4,098
<b>B.3.1. Strategy:</b> EMS AND TRAUMA CARE SYSTEMS		
<b>Output (Volume):</b>		
Number of Emergency Health Care Providers (EMS Firms, Hospitals, RACS) Assisted through EMS/Trauma System Funding Programs	2,425	2,425
<b>C. Goal:</b> HOSPITAL FACILITIES AND SERVICES		
<b>C.1.1. Strategy:</b> TX CENTER FOR INFECTIOUS DISEASE		
<b>Output (Volume):</b>		
Number of Inpatient Days, Texas Center for Infectious Disease	16,000	16,000
<b>C.1.2. Strategy:</b> SOUTH TEXAS HEALTH CARE SYSTEM		
<b>Output (Volume):</b>		
Number of Outpatient Visits, South Texas Health Care System	58,423	58,423
<b>C.1.3. Strategy:</b> MENTAL HEALTH STATE HOSPITALS		
<b>Output (Volume):</b>		
Average Daily Census of State Mental Health Facilities	2,319	2,319
Average Monthly Number of State Mental Health Facility Consumers Receiving New Generation Medication Services	2,821	2,821
<b>Efficiencies:</b>		
Average Daily Facility Cost Per Occupied State Mental Health Facility Bed	327	327
Average Monthly Cost of New Generation Medications Per State Mental Health Facility Consumer Receiving New Generation Medication Services	314	314
<b>D. Goal:</b> CONSUMER PROTECTION SERVICES		
<b>D.1.1. Strategy:</b> FOOD (MEAT) AND DRUG SAFETY		
<b>Efficiencies:</b>		
Average Cost Per Surveillance Activity	163	163
<b>D.1.2. Strategy:</b> ENVIRONMENTAL HEALTH		
<b>Efficiencies:</b>		
Average Cost Per Surveillance Activity	155	155

DEPARTMENT OF STATE HEALTH SERVICES  
(Continued)

D.1.3. Strategy: RADIATION CONTROL

Efficiencies:

Average Cost Per Surveillance Activity	254	254
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D.1.4. Strategy: HEALTH CARE PROFESSIONALS

Output (Volume):

Number of Health Care Professionals Licensed, Permitted, Certified, Registered, or Documented	83,195	65,646
Number of Licensed Chemical Dependency Counselors Licenses Renewed (Individuals)	2,300	2,300

2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, §1232.103.

	2006	2007
a. Construction of Buildings and Facilities		
(1) Laboratory - Bond Debt Service	\$ 2,894,786	\$ 2,874,519
(2) Hospital Construction	32,326,582	960,000
		& UB
Total, Construction of Buildings and Facilities	\$ 35,221,368	\$ 3,834,519
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Laboratory Renovations	280,000	400,000
(2) Construction of MH Facilities	6,410,000	16,931,000
		& UB
(3) Energy Performance Contracting - MH	1,475,070	2,092,092
Total, Repair or Rehabilitation of Buildings and Facilities	\$ 8,165,070	\$ 19,423,092
c. Acquisition of Information Resource Technologies		
(1) Information Systems Improvement	997,718	5,002,343
(2) Surveillance Systems	112,000	0
(3) Lab Information Systems	1,198,800	1,187,920
(4) Clinical Management and Claims Processing for Behavioral Health	583,910	467,910
(5) WIC Clinic PC Replacement	1,849,583	1,936,027
(6) IT Infrastructure	3,606,189	2,673,171
(7) WIC EBT II (Pilot & Deployment Project)	2,758,000	111,000
(8) IT Infrastructure (Lease)	2,400,000	2,400,000
(9) Communications Equipment (MLPP)	550,000	550,000
(10) Vital Statistics System Improvement	500,000	0
Total, Acquisition of Information Resource Technologies	\$ 14,556,200	\$ 14,328,371
d. Transportation Items		
(1) Vehicles	103,860	72,860
(2) Vehicles (MLPP)	500,000	500,000
Total, Transportation Items	\$ 603,860	\$ 572,860

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

e. Acquisition of Capital Equipment and Items			
(1) Misc Lab Equipment	1,291,000		558,200
(2) Equipment, MH Facilities (MLPP)	550,000		550,000
 Total, Acquisition of Capital Equipment and Items	 \$ 1,841,000	 \$	 1,108,200
 Total, Capital Budget	 \$ 60,387,498	 \$	 39,267,042

Method of Financing (Capital Budget):

<u>General Revenue Fund</u>			
General Revenue Fund	\$ 6,727,689	\$	7,302,233
GR Match for Medicaid	24,226		23,587
Subtotal, General Revenue Fund	\$ 6,751,915	\$	7,325,820
 <u>General Revenue Fund - Dedicated</u>			
Vital Statistics Account No. 019	500,000		0
Department of State Health Public Health			
Services Fee Account No. 524	2,894,786		2,874,519
Subtotal, General Revenue Fund - Dedicated	\$ 3,394,786	\$	2,874,519
 Federal Funds	 10,104,415		 10,424,703
 <u>Other Funds</u>			
Appropriated Receipts	423,800		400,000
DSHS Public Health Medicaid Reimbursements	976,000		351,000
Bond Proceeds - General Obligation Bonds	38,736,582		17,891,000
Subtotal, Other Funds	\$ 40,136,382	\$	18,642,000
 Total, Method of Financing	 \$ 60,387,498	 \$	 39,267,042

**3. Agreements With Native American Population Authorities.** The Department of State Health Services may enter into agreements with Native American population authorities for the provision of substance abuse programs aimed at dealing with the prevention, intervention, and treatment of alcoholics and drug abusers among the Native American population.

**4. Notification of Intent to Utilize Federal Grant Funds.**

- a. Use of Funds for Services Previously Funded From Other Sources.  
The Department of State Health Services (DSHS) shall notify the Legislative Budget Board and the Governor of its intent to use additional Substance Abuse Prevention and Treatment grant funds in excess of the amounts specifically appropriated in the strategies above to fund services previously funded from other federal sources. This notification shall include the services to be provided, the original source of funding for the program or services, and the amount of the grant funds to be used. The notification shall be submitted at least 45 days prior to allocations made out of funds appropriated above.
- b. Use of Additional Federal Funds.  
In addition, DSHS shall notify the Legislative Budget Board and the Governor of its intent to use federal funds in excess of the amounts specified above. The notification shall identify the amount of the specific grant to be used, indicating if any portion represents a carry forward of federal authority; address the use of funds, indicating the impact on performance measures and FTE levels; and indicate if services and FTEs are temporary or on-going. Written notification shall be submitted at least 45 days prior to budgeting or expending funds in excess of the amounts identified above. Written notification is also required 45 days prior to any decision or action by any agency personnel to budget or expend funds in excess of the amounts identified above.



## DEPARTMENT OF STATE HEALTH SERVICES

(Continued)

5. **Criminal Justice/Substance Abuse Initiative.** Out of funds appropriated above in Strategy B.2.6, Substance Abuse Treatment, the Department of State Health Services shall transfer \$3,250,000 in each year of the biennium to the Treatment Alternative to Incarceration Program with the Texas Department of Criminal Justice for the provision of outpatient substance abuse treatment services for probationers. The agencies shall enter into an interagency contract to include data reporting provisions to address performance and other data requirements for state and federal reporting.
6. **Client Services.** It is the intent of the Legislature that the Department of State Health Services (DSHS) and the Department of Family and Protective Services (DFPS) enter into a Memorandum of Understanding for providing outpatient treatment services by DSHS to referred DFPS clients. Out of Substance Abuse Prevention and Treatment Block Grant federal funding at DSHS a maximum of \$2,070,114 for the biennium may be used for qualified services to DFPS clients.
7. **Limitation of Specific Strategy Transfers.** The transfer of appropriations from Strategy C.1.3, Mental Health State Hospitals, to any other strategy is limited to 17.5 percent without the prior approval of the Legislative Budget Board and the Governor. Transfers from Strategy C.1.3 may only be made to Strategy B.2.1, Mental Health Services for Adults; Strategy B.2.2, Mental Health Services for Children; or Strategy C.2.1, Mental Health Community Hospitals.
8. **Other Reporting Requirements.**
  - a. **Federal Reports.** The Department of State Health Services shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government:
    - (1) Notification of proposed State Plan amendments and waivers for the Maternal and Child Health Block Grant (Title V of the Social Security Act), the Special Supplemental Food Program for Women, Infants and Children Program (Child Nutrition Act of 1966), and the Substance Abuse, Prevention and Treatment Block Grant and any other federal grant requiring a state plan. State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committee.
    - (2) A copy of each report or petition submitted to the federal government relating to the grants and programs noted above under section a (1).
  - b. **Federal Issues.** The Department of State Health Services shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more than \$1 million in federal revenue assumed in the appropriations act.
  - c. **Monthly Financial Reports.** The Department of State Health Services shall submit the following information to the Legislative Budget Board and the Governor on a monthly basis:
    - (1) Information on appropriated, budgeted, expended and projected funds, by strategy and method of finance.
    - (2) Narrative explanations of significant budget adjustments, ongoing budget issues, and other as appropriate.
    - (3) Any other information requested by the Legislative Budget Board or the Governor.
  - d. The monthly financial reports shall be prepared in a format specified by the Legislative Budget Board.

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

## 9. Reporting of Earned Federal Funds.

- a. The Department of State Health Services shall submit a monthly report to the Legislative Budget Board and the Governor that details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.
- b. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2005 (estimated to be \$0), and receipts earned in fiscal years 2006 and 2007.

**10. Mental Health Community Hospital Medicaid Services.** The Harris County Psychiatric Center, Lubbock Community Hospital, and Galveston Community Hospital shall certify appropriated state funds to the Health and Human Services Commission or its designee for the state share of Medicaid reimbursement for the following services:

- a. Inpatient psychiatric services for children.
- b. Inpatient psychiatric services for age 65 and over (Institute for Mental Disease option).

The Department of State Health Services shall report monthly to the Legislative Budget Board and the Governor on the amounts certified by each mental health community hospital.

**11. Performance Contracts.** Funds in Strategy C.2.1, Mental Health Community Hospitals, shall be allocated through performance contracts with local mental health authorities.

**12. Rusk State Hospital Timber Sales.** The Department of State Health Services is authorized to sell timber located on department land at Rusk State Hospital. Revenues generated from the sale of timber, estimated at \$0 for the biennium, shall be deposited into the Texas Capital Trust Fund Account No. 543.

**13. Transfers of Appropriation - State Owned Hospitals.** The Department of State Health Services shall transfer from non-Medicaid state appropriated funds the following amounts to the Health and Human Services Commission for the Disproportionate Share Hospital Reimbursement Program:

	<u>2006</u>	<u>2007</u>
State Mental Hospitals	\$ 226,707,123	\$ 226,707,124
Harris County Psychiatric Center	12,847,942	12,847,942
Texas Center for Infectious Disease	7,865,061	7,831,061
	\$ 247,420,126	\$ 247,386,127

The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The department shall also transfer non-Medicaid state appropriated funds as necessary for other qualifying state-funded community hospitals including mental health community hospitals.

**14. Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries and travel expenses of department engineers and architects and administrative expenses of construction projects (but shall not exceed \$500,000 in a fiscal year that are paid out of General Obligation Bonds); architect's and engineer's fees; and the actual travel expenses incurred by them or their representatives in making trips of inspection at the discretion of the

## DEPARTMENT OF STATE HEALTH SERVICES

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department during construction, renovation, or repair of buildings and systems or the installation of fixed equipment. Job titles and rates of pay for such salaried positions of department personnel paid from construction appropriations shall conform with the Position Classification Plan and Classification Salary Schedule.

15. **Community Hospital Funding for Galveston Community Hospital.** Out of funds appropriated above, the Department of State Health Services shall allocate \$400,000 in General Revenue for fiscal year 2006 and \$400,000 in General Revenue for fiscal year 2007 for the Galveston Community Hospital, specifically for the purpose of providing outpatient medication services.
16. **Appropriation of Local Funds.** All funds received by the department from counties, cities, and any other local governmental entities and all balances from such sources as of August 31, 2005, are hereby appropriated for the biennium ending August 31, 2007, for the purpose of carrying out the provisions of this Act. (Estimated to be \$0.)
17. **Medical Assistance Payments and Unexpended Balances.** General Revenue Funds appropriated above for all Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month, provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2006 to fiscal year 2007, and such funds are appropriated to the department for the 2006-07 biennium.
18. **Unexpended Construction Balances: Mental Health Facilities.** Any unexpended construction, repair, or renovation balances from previous appropriations, estimated to be \$1,410,000 from fiscal year 2005 to fiscal year 2006 and included in the method of finance above as General Obligation Bond proceeds in Strategy F.1.3, Capital Repair and Renovation - Mental Health Facilities, are hereby appropriated to the Department of State Health Services (DSHS) for the same purposes, provided that the expenditure of such appropriated funds shall require the approval of the Commissioner of State Health Services. At least 45 days prior to expenditure of such funds, DSHS shall report on the appropriated fund sources, amounts and year of appropriation and on the proposed use of these funds to the Legislative Budget Board and the Governor.
19. **Unexpended Balances: JCAHO.** Except as otherwise provided, unexpended and unobligated balances, not to exceed \$5 million, remaining from appropriations for the first year of the biennium to the Department of State Health Services are appropriated to the department for the purpose of complying with Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) standards dealing with residential, non-residential, and community based mental health services. This paragraph does not apply to those unexpended and unobligated balances remaining from appropriations for the first year of the biennium that the department is authorized by this Act to retain for specific purposes in the second year of the biennium. The department shall notify the Legislative Budget Board and the Governor as to when the appropriation originated, why it is not needed, and how it will be used prior to budgeting and expending these balances.
20. **Mental Health Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Department of State Health Services may transfer appropriations made for the fiscal year ending August 31, 2007, to the fiscal year ending August 31, 2006, subject to the following conditions provided by this section:
  - a. Transfers under this section may be made only:
    - (1) If appropriated receipts required to fund appropriations contained in this Act for fiscal year 2006 are less than those contained in the method of finance for the department for fiscal year 2006;

**DEPARTMENT OF STATE HEALTH SERVICES**  
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- (2) For any emergency expenditure requirements, including expenditures necessitated to ensure the continuation of Medicaid client services to maintain fiscal year 2005 Medicaid caseloads.
- b. Transfers may not exceed \$15,000,000 in General Revenue.
- c. A transfer authorized by this section must receive the prior approval of the Legislative Budget Board and the Governor.
- d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

**21. Revolving Fund Services: Canteen Services and Sheltered Workshops.**

- a. **Canteen Services.** Each of the facilities under control and management of the Department of State Health Services, except the Central Office, may establish, maintain and operate a canteen for the convenience of its patients. Any balances remaining in each canteen operation fund are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be \$391,799 from balances on hand on August 31, 2005, and included above in Strategy C.1.3, Mental Health State Hospitals. Any unobligated balances as of August 31, 2006, are appropriated for the same use during fiscal year 2007. All receipts deposited to its credit, estimated to be \$759,500 in fiscal year 2006 and \$759,500 in fiscal year 2007 and included above in Strategy C.1.3, Mental Health State Hospitals, are appropriated for all costs necessary for the operation of a canteen for the next fiscal year. Funds appropriated for canteen services are reflected in the method of finance above as MH Revolving Fund Receipts. Each of the facilities under control and management of the department that contracts with the Department of Assistive and Rehabilitative Services for the operation of its canteen shall deposit the amount of monies originally appropriated for its Canteen Operation Fund into the General Revenue Fund. The balance remaining in the facility's Canteen Operation Fund, after the amount originally appropriated is deposited to the General Revenue Fund, shall be deposited to the Benefit Fund created at the facility under the provisions of Health and Safety Code, §551.004.

The department shall provide information on related revenues, balances, contracts, and profits to the Legislative Budget Board, Governor, and Comptroller of Public Accounts. These revenues, expenditures, and balances shall be reported and included in agency Operating Budgets, Legislative Appropriation Requests, and Annual Financial Reports. The timetable, format and content for additional monthly reports related to canteen operations shall be prescribed by the Legislative Budget Board.

- b. **Sheltered Workshops.** The Department of State Health Services may maintain a revolving fund for its management responsibilities related to sheltered workshops. Any balances remaining in the sheltered workshop funds are appropriated for the biennium beginning with the effective date of this Act in an amount estimated to be \$0 from balances on hand remaining on August 31, 2005, and included above in Strategy C.1.3, Mental Health State Hospitals. Any unobligated balances as of August 31, 2006, are appropriated for the same use during fiscal year 2007. All receipts deposited to the credit of the sheltered workshops, estimated to be \$30,000 in fiscal year 2006 and \$30,000 in fiscal year 2007 and included above in Strategy C.1.3, Mental Health State Hospitals, are appropriated for all costs necessary for the operation of sheltered workshops. Funds appropriated for sheltered workshops are reflected in the method of finance above as MH Revolving Fund Receipts. The department shall provide information on related revenues, expenditures, balances, contracts, and profits to the Legislative Budget Board, Governor, and Comptroller of Public Accounts. These revenues, expenditures, and balances shall be reported and included in agency Operating Budgets, Legislative Appropriations Requests, and Annual Financial Reports. The timetable, format, and content for additional monthly reports related to the Sheltered Workshop Revolving Fund shall be prescribed by the Legislative Budget Board.

**DEPARTMENT OF STATE HEALTH SERVICES**  
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- 22. New Generation Medications.** Funds expended on New Generation Medications shall be spent in accordance with the practice guidelines developed through the Texas Implementation of Medication Algorithms (TIMA), Children's Medication Algorithm Project (CMAP) or a Department of State Health Services-approved variation or substitute of TIMA or CMAP guidelines.
- 23. Recoupment of Funds from Local Authorities.** Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2006 recouped by the Department of State Health Services (DSHS) from a local mental health authority for failing to fulfill its performance contract with the State, are hereby reappropriated to DSHS to reallocate to other local mental health authorities to use for a related purpose in fiscal year 2007. In conjunction with the reallocation of funds, DSHS shall provide a report to the Legislative Budget Board and the Governor on the amount of funds, the reasons for the recoupment, the local authorities involved, any performance contract requirements that were not met, and the purposes of the reallocation.
- 24. Limitation: Medicaid Transfer Authority.** Notwithstanding the transfer provisions in the general provisions (general transfer provisions) of this Act, none of the funds appropriated by this Act to the Department of State Health Services for the following Medicaid strategies:
- a. B.2.1, Mental Health Services for Adults;
  - b. B.2.2, Mental Health Services for Children; and
  - c. C.1.3, Mental Health State Hospitals

may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, funds may be transferred between Medicaid strategies in accordance with other provisions in this Act, including the general transfer provisions.

- 25. Transfer Authority.** Notwithstanding Article IX, Section 6.08, Appropriation Transfers, and subject to the limitations contained in provisions No. 7, Limitation of Specific Strategy Transfers, and No. 63, Children with Special Health Care Needs, and notwithstanding any other provision, appropriations contained in this Act to the Department of State Health Services may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, at the discretion of the Commissioner of State Health Services. Transfers from one appropriation item to another item that exceed the lesser of \$250,000 or 10 percent in All Funds of the appropriation item from which the transfer is made are subject to the approval of the Executive Commissioner of Health and Human Services, the Commissioner of State Health Service, or the designee under statute or by rule, and are subject to the following reporting requirements.
- a. At least 45 days prior to any transfer of funds between items of appropriation notification shall be made to the Governor and the Legislative Budget Board.
  - b. At least 45 days prior to any program expansion, notification shall be made to the Governor and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in an increase in services delivered or clients served, including any increase in funds budgeted in the program.
  - c. Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.

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Transfers approved by the Commissioner of State Health Services will be reported to the Executive Commissioner of Health and Human Services, the Legislative Budget Board, and the Governor quarterly.

- 26. Use of Timber Receipts for Capital Projects.** The Department of State Health Services is hereby authorized to sell timber located on department land. Revenues generated from the sale of timber, estimated at \$0 for the biennium, shall be deposited into the Texas Capital Trust Fund Account No. 543.
- 27. Laboratory Funding.**
- a. All receipts generated by the Department of State Health Services (DSHS) from laboratory fees during the 2006-07 biennium are hereby appropriated to the DSHS for transfer to the Texas Public Finance Authority for the payment of debt services on the project revenue bonds.
  - b. Appropriations made out of the General Revenue Fund to DSHS in Goal E, Indirect Administration, may be transferred for bond debt service payments only if laboratory fees generated by the laboratory during the biennium are insufficient to support the bond debt service, subject to prior approval of the Governor and the Legislative Budget Board and if no funds appropriated to DSHS by this Act have been transferred into Goal E, Indirect Administration.
- 28. Appropriations Limited to Revenue Collections.** The Department of State Health Services (DSHS) shall review all of the fee schedules within its authority on an annual basis. The DSHS shall provide a copy of the report summarizing this review to the Legislative Budget Board and the Governor no later than September 1 of each year in the biennium, with a copy of the final report to be submitted no later than January 1 of each year of the biennium. It is the intent of the Legislature that, to the extent feasible, fees, fines, and other miscellaneous revenues as authorized and generated by the department cover, at a minimum, the cost of the appropriations made for the programs listed in the table below, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for these programs are estimated to be \$8,798,519 for fiscal year 2006 and \$9,046,890 for fiscal year 2007. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. This rider shall apply to revenues generated in the following strategies and deposited under the following revenue codes or account numbers:

Strategy	Revenue Code or Account
D.1.1. Food (Meat) & Drug Safety	341 Food & Drug Retail Fee
	5022 Oyster Sales
	5024 Food & Drug Registration
	Fees deposited into 001 to support D.1.1, Food (Meat) and Drug Safety, including fees deposited under the following Revenue Codes: 3142 (Food Service Worker Training); 3180 (Health Regulation Fees for Body Piercing and Tattoo Studios, Tanning Facility Fees, and Narcotic Treatment Fees); 3400 (Business Fees-Agriculture, for Renderers Licenses and Milk Industry Products); 3414 (Agriculture Inspection Fees, for Meat Inspection); 3554 (Food and Drug Fees, for Medical Device Wholesalers, Food Drug and Cosmetic Sales, and Frozen Desserts).

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D.1.2. Environmental Health

5017 Asbestos Removal Licensure

5020 Workplace Chemical List

Fees deposited into 001 to support D.1.2, Environmental Health, including fees deposited under the following Revenue Codes: 3123 (Glue and Paint Sales Permit); 3141 (Bedding Permit Fees); 3175 (Professional Fees, for Code Enforcement Officers); 3180 (Lead-Based Paint Certification Program); 3555 (Hazardous Substance Manufacture); 3562 (Health Related Professions Fees, for Sanitarian Registration and Pesticide Use and Application Program); and 3573 (Health Licenses for Camps, for Migrant Camps and Youth Camps).

D.1.3. Radiation Control

5021 Certificate of Mammography Systems

Fees deposited into 001 to support D.1.3, Radiation Control, including fees deposited under the following Revenue Codes: 3589 (Radiation Control).

D.1.4. Health Care Professionals

Fees deposited into 001, Revenue Codes; 3175 (Professional Fees, for Health Services Providers, Athletic Trainers); 3560 (Medical Examination and Registration, for Perfusionists, Medical Radiologic Technicians; and Respiratory Therapists); 3562 (Health Related Profession Fees, for Medical Physicists, Hearing Aid Dispensers, Marriage and Family Therapists, Massage Therapists, Respiratory Care Practitioners, Professional Counselors, Dispensing Opticians, Speech Pathologists, Dieticians and Chemical Dependency Counselors); 3616 (Social Worker Regulation); and 3727 (Council on Sex Offender Treatment Providers).

D.1.5. Health Care Facilities

129 Hospital Licensing

Fees deposited into 001, Revenue Codes: 3180 (Health Regulation Fees, for Special Care Facilities); and 3557 (Health Care Facilities Fees, for Abortion Clinics, Ambulatory Surgical Centers, Birthing Centers, End Stage Renal Disease Facilities, Chemical Dependency Facilities, and Drug Abuse Treatment Facilities).

A.1.3. Maintain Vital Records

019 Vital Statistics

**29. Funding for Abstinence Sexual Education.** It is the intent of the Legislature that funds appropriated in Strategy A.3.2, Abstinence Education, be utilized for the purpose of implementing abstinence sexual education programs to reduce the need for future family planning services for unwed minors. Abstinence education means materials and instruction which:

- a. Present abstinence from sexual activity as the preferred choice of behavior for unmarried persons; and

**DEPARTMENT OF STATE HEALTH SERVICES**  
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- b. Emphasize that abstinence from sexual activity, used consistently and correctly, is the only method that is 100 percent effective in preventing pregnancy, sexually transmitted disease, and infection with human immunodeficiency virus or acquired immunodeficiency syndrome.
- 30. Prohibition on Abortions.**
- a. It is the intent of the Legislature that no funds shall be used to pay the direct or indirect costs (including overhead, rent, phones and utilities) of abortion procedures provided by contractors of the department.
  - b. It is also the intent of the legislature that no funds appropriated under Strategy B.1.3, Family Planning Services, shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures.
  - c. The department shall include in its financial audit a review of the use of appropriated funds to ensure compliance with this section.
- 31. Family Planning.** Of funds appropriated under Strategy B.1.3, Family Planning Services, no state funds may be used to dispense prescription drugs to minors without parental consent.
- 32. Medical Treatment.** The Department of State Health Services may distribute funds for medical, dental, psychological, or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code or other state law. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the department may modify, or suspend this rider to the extent necessary to prevent such loss of funds, provided that 45 day prior notification is provided to the Governor and the Legislative Budget Board.
- 33. Reporting of Child Abuse.** The Department of State Health Services may distribute or provide appropriated funds only to recipients which show good faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code.
- 34. Trauma Formula Distribution.** It is the intent of the Legislature that the Department of State Health Services allocate monies from the emergency medical services and trauma care system fund in accordance with Health and Safety Code, §773.122(c). It is further the intent of the Legislature that the Department of State Health Services weight the statutory criteria in such fashion that, in so far as possible, 40 percent of the funds are allocated to urban counties and 60 percent of the funds are allocated rural and frontier counties.
- 35. Authorization to Receive, Administer, and Disburse Federal Funds.** The appropriations made herein may be used to match Federal Funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of a state program of health services. Notwithstanding the General Provisions of this Act, the Executive Commissioner of Health and Human Services, the Commissioner of State Health Services, or the designee under statute or by rule is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal monies that are made available (including grants, allotments, and reimbursements) to the state and retain their character as Federal Funds for such purposes, and to receive, administer, and disburse Federal Funds for federal regional programs in accordance with plans agreed upon by the Department of State Health Services and the responsible federal agency, and such other activities as come under the authority of the Executive Commissioner of Health and Human Services, the Commissioner of State Health Services, or the designee under statute or by rule, and such monies are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned Federal Funds are not considered to be Federal Funds for the purpose of this section.



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- 36. Accounting of Support Costs.** The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Department of State Health Services is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The department shall be responsible for monthly allocations of these costs to the original strategies.
- 37. WIC (Special Supplemental Nutrition Program for Women, Infants, and Children) Rebates.** The Department of State Health Services (DSHS) is authorized to receive and expend WIC rebates and interest earnings associated with WIC rebates and such funds are appropriated to DSHS. The department shall only expend WIC rebates and interest earnings for the purposes of the WIC program.
- 38. State Health Care Facility Provisions.** The State Health Care Facilities (formerly known as State Chest Hospitals) operated by the Department of State Health Services are the South Texas Health Care Center System (formerly known as the South Texas Hospital) and the Texas Center for Infectious Disease. The provisions applying to the State Health Care Facilities are as follows:
- a. The Texas Center for Infectious Disease shall provide utilities and inpatient treatment and care services to the San Antonio State Hospital and the San Antonio State School without reimbursement.
  - b. Out of the funds appropriated above the South Texas Health Care System shall support medical education through the South Texas Family Practice Residency Program-McAllen with the cooperation of the University of Texas Health Science Center at San Antonio.
  - c. Third party collections (appropriated receipts) collected by the Department of State Health Services State Health Care Facilities are hereby appropriated to Strategy C.1.1, Texas Center for Infectious Disease, and Strategy C.1.2, South Texas Health Care System, for the provision of services.
- 39. Immunization of Employees.** Monies appropriated above may be expended for any immunization which is required of employees at risk in the performance of their duties.
- 40. Reimbursement of Advisory Committee Members.** Pursuant to Health and Safety Code, §1001.027, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed \$200,000 per fiscal year, is limited to the following advisory committees: Informational and Educational Subcommittee of the Family Planning Program, State Preventive Health Advisory Committee, Texas Radiation Advisory Board, Asbestos Advisory Committee, and Preparedness Coordinating Council.
- Pursuant to Health and Safety Code, §1001.027, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to any advisory committee member who represents either the general public or consumer on the following advisory committees: Texas HIV Medication Program Advisory Committee, Device Distributors and Manufacturers' Advisory Committee, Registered Sanitarian Advisory Committee, Code Enforcement Officer's Advisory Committee, Promotora Advisory Committee, Medical Radiological Technologist Advisory Committee, Respiratory Care Practitioner's Advisory Committee, Governor's Emergency Medical Services and Trauma Advisory Council, and Drug Demand Reduction Advisory Committee.
- Pursuant to Health and Safety Code, §1001.027, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed \$18,978 per year, is limited to the Mental Health Planning and Advisory Committee.

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To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

41. **Reimbursement of Advisory Council Members.** Pursuant to Health and Safety Code, §1001.027, reimbursement of travel expenses for the State Health Services Advisory Council members, out of funds appropriated above, is hereby authorized such that the sum total of all reimbursements for members of the Council shall not exceed \$15,000 per fiscal year, at the rate specified in the general provisions of this Act.
42. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Out of funds appropriated above related to civil monetary damages and penalties under Health and Safety Code, §431.047, there are appropriated to the department amounts equal to the costs of the investigation and collection proceedings conducted under that section, and any amounts collected as reimbursement for claims paid by the department.
43. **Unexpended Balances - Preparedness and Prevention, and Consumer Protection Services.** Subject to the approval of the Commissioner of Health and Human Services, the Commissioner of State Health Services, or the designee under statute or by rule, all unexpended balances, including General Revenue and All Funds, not otherwise restricted from appropriations to Goal A: Preparedness and Prevention Services, and Goal D: Consumer Protection Services, at the close of the fiscal year ending August 31, 2006, are hereby appropriated for the fiscal year beginning September 1, 2006. The Department of State Health Services shall submit a report to the Legislative Budget Board and the Governor identifying any appropriations carried forward into fiscal year 2007 pursuant to this provision no later than 14 days after approval. The report shall be prepared in a format prescribed by the Legislative Budget Board.
44. **Contingent Revenue, Food and Drug Retail Fees.** The Department of State Health Services is hereby appropriated any additional revenues generated in General Revenue-Dedicated Account No. 341, Food and Drug Retail Fees, above the amounts identified in fiscal years 2006 and 2007 for Account No. 341 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of restaurant inspections. The dollar amounts identified above in the Method of Financing are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2006-07 for Revenue Objects deposited into Account No. 341.
45. **Laboratory Revenue.** The Department of State Health Services is hereby appropriated any additional laboratory revenues, generated in General Revenue-Dedicated Account No. 524, above the amounts identified in fiscal years 2006 and 2007 for Account No. 524 in the Comptroller of Public Accounts' Biennial Revenue Estimate, for the purpose of laboratory operations. This appropriation does not include any amounts deposited into Revenue Object 3561. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate 2006-07 for Revenue Objects deposited into Account No. 524 and exclude amounts estimated for Revenue Object 3561. Laboratory revenues deposited into Revenue Object No. 3561 are statutorily dedicated for laboratory debt service and may not be used for any other purpose.
46. **Asbestos Revenue.** The Department of State Health Services is hereby appropriated any additional revenues generated in Revenue Object 3175 General Revenue-Dedicated, Account No. 5017, Asbestos Removal Licensure, above the amounts identified in fiscal year 2006 and fiscal year 2007 in the Comptroller's Biennial Revenue Estimate, for the purpose of asbestos inspections and regulatory activities.
47. **Additional Appropriation for Quality Patient Care Regulation.** The Department of State Health Services (DSHS) is hereby appropriated for the biennium any revenues above the Comptroller of Public Accounts' Biennial Revenue Estimate that are deposited in the General Revenue Fund by DSHS under Comptroller Objects 3616, 3560, and 3562 for the purpose of regulating social workers, health-related professionals (marriage and family therapists,

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dietitians, medical physicists, respiratory care practitioners, and massage therapists), and midwifery training. Funds appropriated in this item may be transferred to the appropriate strategies for the purpose of regulating social workers, health related professionals, and midwifery training.

- 48. State Health Programs Drug Manufacturer Rebates.** The Department of State Health Services is authorized to receive and expend drug rebates and interest earnings associated with Kidney Health Care (KHC) drug rebates and Children with Special Health Care Needs (CSHCN) drug rebates. The department shall expend the drug rebates and interest earnings, appropriated above, only for the purpose of client services for the KHC and CSHCN programs. The department shall establish a preference, within these programs, for the purchase of pharmaceutical products from those manufacturers that participate in the State Health Programs Drug Manufacturer Rebate Program for the CSHCN program and the KHC program.
- 49. Childhood Lead Registry.** Out of funds appropriated above in Strategy A.1.5, Health Registries, Information, and Analysis, a total of \$80,700 in total funds and \$65,000 in General Revenue funds each fiscal year of the 2006-07 biennium shall be used for the Childhood Lead Registry.
- 50. Performance of Licensing Entities.** The Department of State Health Services (DSHS) shall provide performance information to the Legislative Budget Board and the Governor no later than December 1 of each year for each board or other entity that licenses, certifies, or registers health professionals attached to or within the purview of DSHS. For each board or other entity, the department shall provide the following for the previous fiscal year:
- a. Number of Professionals Licensed/Certified/Placed on a Registry;
  - b. Number of New License/Certificate Applications Received;
  - c. Total Number of Complaints Received;
  - d. Total Number of Jurisdictional Complaints Resolved; and
  - e. Total Number and Type of Disciplinary Actions Taken.
- 51. Performance Reporting for Texas Center for Infectious Disease and South Texas Health Care Center System.** The Department of State Health Services shall submit to the Legislative Budget Board and the Governor the following information on a quarterly basis regarding hospital performance: revenue collections at the hospital, by payor type; number of inpatient patients served on a monthly basis, by type of service provided; and number of outpatient patients served on a monthly basis, by type of service provided.
- 52. Notification of Regional Funds Distribution.** The Department of State Health Services shall notify the Legislative Budget Board and the Governor of the allocation methodology or formula used to allocate funds and provide an impact analysis of any changes from the previous year's formula or percentage allocations, by public health region, at least 30 days prior to allocations made out of funds appropriated above in Strategy B.1.2, Women and Children's Health Services.
- 53. Transfer for Health Professions Council.** Out of funds appropriated above in Strategy D.1.4, Health Care Professionals, an amount equal to \$13,465 in fiscal year 2006 and \$14,741 in fiscal year 2007 shall be used for transfer to, and expenditure by, the Health Professions Council as the pro-rated assessment of the Professional Licensing and Certification Unit of the Department of State Health Services.
- 54. Increase Immunization.** The Department of State Health Services shall report to the Legislative Budget Board and the Governor no later than September 30 of each year of the biennium on plans to increase immunization rates in Texas, focusing on immunization of pre-school age children. It is the intent of the Legislature that this report be used by the department in managing state and federal resources to increase immunization rates. The report shall detail the following:
- a. Methodology used to determine rates of immunization;

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- b. Current immunization rates by geographic region of the state, where available, focusing on areas in which pre-school children are immunized at rates less than the state average;
  - c. Specific approaches planned for the fiscal year of the report to address geographic areas of under-immunization, including:
    - (1) Changes to agency procedures to more effectively reach under-immunized areas;
    - (2) Contracted services and contract provisions to focus on under-immunized areas;
    - (3) Performance measures, relating to increased immunization rates, which will be included in contract provisions;
    - (4) Estimated cost for each approach; and
  - d. Estimates of the impact that each approach will make individually, and that the approaches will make collectively, to increase immunization rates (for geographic areas when appropriate) and to change other appropriate performance measures.
- 55. Rabies Control.** Out of amounts appropriated above, up to \$4,737,981 in fiscal year 2006 and \$4,237,981 in fiscal year 2007 is allocated above to Strategy A.2.4, Zoonotic Diseases, for rabies control.
- 56. Reducing the Incidence of *Vibrio Vulnificus*.** Out of the funds appropriated in Strategy D.1.1, Food (Meat) and Drug Safety, the Department of State Health Services (DSHS) shall allocate up to \$100,000 in fiscal year 2006 and \$100,000 in fiscal year 2007 in the General Revenue Dedicated, Account No. 5022, Oyster Sales, for the purpose of reducing the incidence of *Vibrio Vulnificus*. Appropriation of these funds does not preclude the use of other funds (such as federal or other grants, donations, or awards) to carry out the activities by DSHS as provided for herein.
- 57. Expenditures Related to School Health.** The Department of State Health Services (DSHS) shall expend up to \$3,241,189 for the biennium in total funds, for the purpose of school health services. Further, the DSHS shall continue to award new contracts for school health services at the rate of at least two per contract award period of the biennium. Nothing in this provision is intended to require DSHS to contract with an applicant that does not meet the department's qualification criteria.
- 58. Use of Community Primary Care Services, FQHC, and Special Health Initiatives Funds.**
- a. It is the intent of the Legislature that up to \$5,000,000 in fiscal year 2006 and \$5,000,000 in fiscal year 2007 of the funds appropriated in Strategy B.3.2, FQHC Infrastructure Grants, be expended exclusively to sustain existing Federally Qualified Health Centers (FQHCs) and to aid FQHCs through grants to existing or new institutions seeking to become FQHCs for planning, grant writing, initial operating costs, and initial capital costs. Any unused funds after June 1 of each year shall be used solely for the provision of direct primary care services through the continuation of the Primary Healthcare Program for existing FQHCs and non-FQHCs in Strategy B.1.5, Community Primary Care Services.
  - b. It is the intent of the Legislature that a total of \$302,100 for the 2006-07 biennium appropriated in Strategy B.1.5, Community Primary Care Services, be expended exclusively for the Parkland Senior Care Project. No more than \$800,000 may be used each year in Strategy B.1.5, Community Primary Care Services, for administrative expenses to support the Community Primary Care and FQHC grant programs.
  - c. It is the intent of the Legislature that all grantees, except Parkland Senior Care Project, receiving funds appropriated in Strategy B.1.5, Community Primary Care Services, be required to coordinate their services with existing FQHCs located in their county or to examine seeking designation as an FQHC if no FQHC is currently available within their county.

## DEPARTMENT OF STATE HEALTH SERVICES

(Continued)

- d. It is the intent of the Legislature that \$321,398 in fiscal year 2006 and \$321,398 in fiscal year 2007 of the funds appropriated in Strategy A.1.4, Special Health Initiatives, be expended exclusively for the Office for the Elimination of Health Disparities.

- 59. State Owned Multi-categorical Teaching Hospital Account.** Out of funds appropriated above in Strategy B.3.3, Indigent Health Care Reimbursement (UTMB), from the State Owned Multi-categorical Teaching Hospital Account No. 5049 ("Account"), and contingent upon \$20,000,000 being collected and deposited in the Account for the 2006-07 biennium, the amount of \$20,000,000 is allocated to the Department of State Health Services (DSHS) for reimbursement to University of Texas Medical Branch at Galveston (UTMB) for the provision of health care services provided to indigent patients. All unexpended balances at the close of the fiscal year ending August 31, 2006, are hereby appropriated for the fiscal year beginning September 1, 2006.

Upon presentation of information supporting UTMB's claim, DSHS shall reimburse UTMB for the health care services provided to indigent patients from the Account established for this purpose. The reimbursement from the Account shall be based upon a rate equal to 90 percent of the Medicaid fee-for-service rate in effect at the time of service for UTMB. This reimbursement shall be made monthly upon the submission to DSHS of a statement of the care provided by UTMB to indigent patients. UTMB is authorized to charge patient co-payment amounts for providing health care services, however, UTMB is not entitled to reimbursement from the Account for these co-payment amounts. The Office of the State Auditor will periodically review the statements submitted to DSHS for reimbursement from the Account, as well as the disbursement therefrom, to verify compliance with the criteria established herein.

- 60. Appropriation of License Plate Revenue.** Out of funds appropriated above, the Department of State Health Services shall allocate \$500,000 from revenues deposited in the General Revenue-Dedicated Fund, Account No. 5032, Animal Friendly, under Health and Safety Code, §828.014 for fiscal year 2006 for the purpose of awarding grants for animal sterilization. Any unexpended balances as of August 31, 2006, from the amounts appropriated may be carried forward and expended in fiscal year 2007 for the same purposes.
- 61. Emergency Care Attendant (ECA) Training.** Out of funds appropriated above, the Department of State Health Services (DSHS) shall allocate \$50,000 in fiscal year 2006 and \$50,000 in fiscal year 2007 for the purpose of providing training grants to local Emergency Medical Services (EMS) instructors to conduct Emergency Care Attendant courses in or near communities lacking local training resources. DSHS shall contract with certified EMS instructors to conduct the 40-hour Emergency Care Attendant courses.
- 62. End Stage Renal Disease.** Out of funds appropriated above in Strategy D.1.5, Health Care Facilities, up to \$368,600 in General Revenue per year is allocated for the purpose of regulating End Stage Renal Disease facilities.
- 63. Children with Special Health Care Needs.**
- a. The Department of State Health Services (DSHS) shall calculate and reserve from transfer the amount of General Revenue and Federal Funds needed to provide services to children who are enrolled in the Children's Health Insurance Program and who also are eligible through the Children with Special Health Care Needs (CSHCN) Program to receive health care benefits excluding family support services not provided in the CHIP benefits package.
  - b. Amounts appropriated above to DSHS in Strategy A.3.4, Children with Special Health Care Needs, may only be transferred to Strategy B.1.4, County Indigent Health Care Services, to the Health and Human Services Commission (HHSC) Strategy B.1.4, Children and Medically Needy. Transfers to HHSC from DSHS Strategy A.3.4 may only be made if General Revenue Funds are made available by CSHCN-eligible children becoming eligible for Medicaid. Any transfers pursuant to this provision are subject to prior notification of the Legislative Budget Board and the Governor that such a transfer is to take place. Funds may not be transferred from Strategy A.3.4 if such a transfer would result in a loss of, or

**DEPARTMENT OF STATE HEALTH SERVICES**  
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reduction in, services or a loss of, or reduction in, persons otherwise eligible for CSHCN services. Notwithstanding any other provisions contained in this Act, no transfers shall be made out of Strategy B.1.2, Women and Children's Health Services. Further, the department shall make expenditures from Strategy A.3.4 from state funds in proportion to the source of funds budgeted for the strategy. The department shall report quarterly on compliance with this provision to the Legislative Budget Board and the Governor. The Comptroller of Public Accounts shall monitor compliance with these provisions and establish additional procedures, if necessary.

- c. DSHS shall evaluate actuarial projections and projected expenditures for the CSHCN program on a quarterly basis. If the department makes a finding of fact that projected expenditures are less than projected available appropriations for that fiscal year, the department shall first report this finding and related analysis to the Legislative Budget Board and Governor at least 15 days prior to adding clients from the waiting list to the program rolls. The department should add clients from the waiting list in order that projected expenditures equal projected available appropriations for the fiscal year.
- d. DSHS is directed to:
  - (1) Maintain provider reimbursement rates for Title V providers that mirror reductions in provider reimbursement rates for Medicaid providers.
  - (2) Continue 6 month continuous eligibility limitations consistent with the 6 month continuous eligibility limitations in effect in the Medicaid program.
  - (3) Continue programmatic changes implemented to achieve cost effectiveness within the CSCHN program without reducing the quality of care provided to CSHCN clients and their families.

**64. Informational Listing - Permanent Funds and Endowments.** The following is an informational list of the amounts used to capitalize Permanent Funds and Endowments created by House Bill 1676, Seventy-sixth Legislature, and does not make appropriations.

Permanent Fund for Children and Public Health	\$	100,000,000
Permanent Fund for Health and Tobacco Education and Enforcement	\$	200,000,000
Permanent Fund for Emergency Medical Services and Trauma Care	\$	100,000,000
Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease	\$	25,000,000

**65. Estimated Appropriation and Unexpended Balance.** The estimated amounts appropriated above out of the Permanent Fund for Health and Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, and the Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease are out of the available earnings of the funds. Available earnings in excess of the amounts estimated above are appropriated to the Department of State Health Services. In the event that amounts available for distribution or investment returns are less than the amounts estimated above, this Act may not be construed as appropriating funds to make up the difference. Any unexpended appropriations made above as of August 31, 2006, are hereby appropriated to the same agencies and institutions for the same purposes for fiscal year 2007.

**66. Administration of Public Health Funds.** Funds are appropriated above out of the Permanent Fund for Health and Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Emergency Medical Services and Trauma Care, and the Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

for the purpose of implementing Government Code §§403.105, 403.1055, 403.106, and 403.1066. In no event may the administrative costs to implement the provisions of the bill exceed 3 percent. Grants and program costs must compose at least 97 percent of the expenditures to implement the provisions of the bill.

**67. Tobacco Use Goals.**

- a. It is the intent of the Legislature that the Department of State Health Services (DSHS) or any other grantee or agency that receives funds for tobacco reduction or cessation in the State of Texas create the following goals;
  - (1) In areas where the state funds tobacco cessation programs at a level of \$3.00 per capita, there should be a demonstrated reduction in underage use of cigarettes, snuff, and smokeless tobacco of 60 percent by the year 2010 by all Texans 22 years and younger; and
  - (2) In areas where the state funds tobacco prevention and cessation programs at a level of \$3.00 per capita, the use of cigarettes, snuff, and smokeless tobacco by all Texans 22 years and younger should be eliminated by the year 2018.
- b. The agency should focus on achieving these goals by creating and using programs permitted under Government Code, §403.105.
- c. The agency, or any other grantee or agency receiving funds for tobacco reduction or cessation in the state, shall prepare a report by December 1, 2006, on the agency's progress in achieving the above goals. The report shall include an evaluation of the agency's progress and recommendations on how to improve the programs. The report shall be submitted to the Eightieth Legislature.

**68. Automated External Defibrillator (AED) Placement in State Buildings.** Out of funds appropriated above, the Department of State Health Services shall allocate \$125,000 in fiscal year 2006 and \$125,000 in fiscal year 2007 for the purchase and placement of AEDs in state-owned and leased buildings. These placements should occur in a manner consistent with the study authorized by Senate Bill 531, Seventy-seventh Legislature. The department shall establish criteria to identify up to 100 key locations for placement by December 31, 2005. Any unexpended balances remaining at the end of fiscal year 2006 may be expended in fiscal year 2007 to fulfill the purposes of the rider.

**69. Funding for the Children's Outreach Heart Program.** Out of funds appropriated above in Strategy A.3.1, Cardiovascular Disease, Diabetes, and Injury Prevention, \$247,000 in General Revenue funds in each fiscal year of the 2006-07 biennium shall be used for the purposes of the Children's Outreach Heart Program.

**70. County Indigent Health Care.** The Department of State Health Services may not distribute more than 20 percent of the total funds appropriated for the County Indigent Health Care program strategy to any single county. If funds remain due to a lack of counties which meet the threshold for participation, the department may not retain unexpended balance.

**71. Appropriation: HIV Medications Program.** The Department of State Health Services is hereby appropriated any additional revenues generated from co-pays that are assessed by the HIV Medication program, are deposited in General Revenue-Dedicated Account 0524, and are above the amounts identified for fiscal years 2006 and 2007 in the Comptroller of Public Accounts' Biennial Revenue Estimate. The additional revenues are appropriated for the purchase of medications for the treatment of HIV disease. This appropriation does not include laboratory revenues deposited in General Revenue-Dedicated Account 0524 under Revenue Object 3595 or any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose.

**DEPARTMENT OF STATE HEALTH SERVICES**  
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72. **Appropriation: J-1 Visa Waiver Program.** The Department of State Health Services (DSHS) is hereby appropriated any additional revenues generated from administrative fees assessed by the J-1 Visa Waiver Program deposited in General Revenue-Dedicated Account 0524 and above the amounts identified for fiscal years 2006 and 2007 in the Comptroller of Public Accounts' Biennial Revenue Estimate. The additional revenues are appropriated for the purpose of administering the J-1 Visa Waiver Program for physicians serving in health professional shortage areas. This appropriation does not include laboratory revenue deposited in General Revenue-Dedicated Account 524 under Revenue Object 3595, any amounts deposited into Revenue Object 3561, which are statutorily dedicated for laboratory debt service and may not be used for any other purpose, or any co-pays deposited for the purpose of the HIV Medication Program. It is the intent of the Legislature that applications submitted under this program be prioritized by DSHS to the areas of greatest need and that DSHS consider relative specialty need as well.
73. **Nuisance Surveys for the Economically Disadvantaged Communities Program.** The Commission on Environmental Quality (TCEQ) and the Water Development Board (WDB) shall reimburse the Department of State Health Services (DSHS) for costs incurred by the agency in conducting nuisance surveys for applicants for financial assistance through the Economically Disadvantaged Communities program administered by the Water Development Board. TCEQ and WDB shall each reimburse such costs through Interagency Contracts with DSHS in an amount not to exceed a total of \$125,000 per agency for the biennium beginning on September 1, 2005.
74. **Medically Fragile Children.** It is the intent of the Legislature that the Department of State Health Services provide appropriate General Revenue funding in fiscal years 2006 and 2007 in Strategy A.3.4, Children with Special Health Care Needs, for programs specifically designed for medically fragile children, the most critical of the children with special health care needs. These programs should match state funds with private funds and follow the guidelines and criteria developed through the pilot program for medically fragile children established and funded by Rider 57 to the appropriations made to the Department of Health during the Seventy-seventh Legislature, Regular Session.
75. **Additional Transfer Authority: State-funded Immunizations.** Subject to the limitations on transfer authority prescribed by Rider 25, Transfer Authority, the Department of State Health Services may transfer appropriations from one or more other appropriation items to appropriation item A.2.1, Immunize Children and Adults in Texas, in the amounts the Commissioner of State Health Services considers necessary for the purpose of providing current and effective immunizations coverage for recipients of state-funded immunizations comparable to the immunizations coverage received by persons covered by the state Medicaid program or private insurance.
76. **Construction of the Texas Center for Infectious Disease and South Texas Health Care System.** The Department of State Health Services (DSHS) shall not expend funds or award a contract for construction of facilities in South Texas prior to awarding a contract for the construction of the Texas Center for Infectious Disease. Funds appropriated for the Texas Center for Infectious Disease may only be expended to construct a new facility. DSHS may expend funds for the design of facilities in South Texas prior to awarding a contract for construction of the Texas Center for Infectious Disease. Funds appropriated for either of these projects may only be expended for each phase of the project after DSHS provides a detailed description of the project phase and cost to the Legislative Budget Board and the Governor prior to implementation of the project phase, and the Legislative Budget Board and the Governor approve the plan. DSHS, in conjunction with the Rio Grande Valley Health Services District, shall submit to the Legislative Budget Board and the Governor, before awarding a contract for the construction of the facilities in South Texas, a transition plan to fund the facilities' operating costs with local funds and other state and federal program funds as available for the provision of public health care services.



**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

**77. Contingent Revenue Mammography Certification Fees.** Contingent upon the Department of State Health Services (DSHS) being authorized by the Food and Drug Administration (FDA) to be a certifying body for the purpose of certification of mammography facilities, all revenues above amounts identified in the Comptroller of Public Accounts' Biennial Revenue Estimate for 2006-07 and deposited into the Certificate of Mammography Systems Account No. 5021 are hereby appropriated to the DSHS.

**78. Unexpended Balance: General Obligation Bonds for Health Care Facilities.** Out of funds appropriated above to Strategy F.1.2, Construction of Health Care Facilities, \$33,286,582 in General Obligation Bonds for the 2006-07 biennium is allocated for the purposes of constructing, maintaining, or repairing health care facilities operated by the Department of State Health Services.

**Appropriation of Unexpended Balances:** Any unexpended balances of General Obligation Bonds for health care facilities from previous appropriations, estimated to be \$24,200,000 from fiscal year 2005 to fiscal year 2006 and included in the method of finance above as General Obligation Bonds in Strategy F.1.2, Construction of Health Care Facilities, are hereby appropriated to the Department of State Health Services for the same purposes, contingent upon the following:

- a. The expenditure of such appropriated funds shall require the approval of the Commissioner of State Health Services,
- b. At least 45 days prior to the expenditure of such funds to implement a particular project phase, the department shall provide a detailed description of the project phase and cost to the Legislative Budget Board and the Governor.

**79. SAPT Maintenance of Effort Calculation.** The Department of State Health Services shall submit by September 1 of each year of the biennium to the Legislative Budget Board and the Governor a detailed analysis of all funds used for the calculation of the Substance Abuse Prevention and Treatment Block Grant Maintenance of Effort requirement for fiscal years 2005, 2006, and 2007. The report shall be in a format prescribed by the Legislative Budget Board and shall be accompanied by any supporting documentation detailing the sources and methodologies utilized in the calculation.

**80. Mentally Ill Offender Screening.** The Department of State Health Services shall use funds appropriated above to require local mental health authorities to conduct CARE system database checks within 72 hours of referrals for local and county jails to determine if offenders have a history of state mental healthcare and report such information to the requesting jail. Quarterly reports of activities shall be provided to the Texas Department of Criminal Justice - Texas Correctional Office on Offenders with Medical and Mental Impairments as part of the community of care mandate.

**81. Family Planning Services at Federally Qualified Health Centers.** Out of funds appropriated in Strategy B.1.3, Family Planning Services, up to \$10,000,000 in each year of the 2006-07 biennium shall be set aside for family planning services provided by Federally Qualified Health Centers (FQHCs) and up to \$1,000,000 per year may be allocated to clinics for core family planning services provided under the auspices of Baylor College of Medicine. Funds will be allocated statewide to counties for family planning services according to DSHS' annual assessment of women-in-need. Any funds not applied for and granted to FQHCs each fiscal year shall be made available to non-FQHC grantees. FQHCs funded under this strategy shall assure that recipients receive comprehensive primary and preventive care in addition to the family planning services. The Department of State Health Services shall work with FQHC grantees to assure that reporting requirements are aligned with FQHC eligibility, payment, and reporting requirements.

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

- 82. Estimated Appropriations: Perpetual Care Account.** In the event of an incident necessitating the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, or disposal of radioactive materials by the Department of State Health Services (DSHS), DSHS is hereby appropriated any revenues from DSHS licensees, including the proceeds of securities, deposited to the credit of the Perpetual Care Account pursuant to Health and Safety Code, Section 401.305(b) and Section 401.301(d), above amounts included in the Comptroller of Public Accounts' Biennial Revenue Estimate during the biennium beginning September 1, 2005 (estimated to be \$0 each fiscal year). These funds shall be used for purposes authorized in Health and Safety Code, Section 401.305, and pursuant to a memorandum of understanding with the Texas Commission on Environmental Quality relating to the regulations for control of radiation. Funds appropriated herein may be transferred to other appropriate strategies to implement the provisions set out in Health and Safety Code, Section 401.305.
- 83. Vaccine Education - Inclusion of Information Related to Respiratory Syncytial Virus.** The Department of State Health Services is hereby directed to include educational information about respiratory syncytial virus (RSV) in its materials already provided to mothers-to-be about childhood immunizations and illness. The inclusion of information related to RSV may be completed at the next regular printing.
- 84. Estimated Appropriation: Designated Trauma Facility and EMS Account.** The Department of State Health Services is hereby appropriated any additional revenues generated in General Revenue-Dedicated Account 5111, Designated Trauma Facility and EMS, above \$59,419,000 in fiscal year 2006 and \$80,368,000 in fiscal year 2007, for the purpose of trauma facility and EMS activities. The dollar amounts above are contained in the Comptroller of Public Accounts' Biennial Revenue Estimate, 2006-07 for this account. This appropriation is contingent upon the department notifying and receiving approval from the Legislative Budget Board and the Governor of its intent to access additional revenues from this account. Such an appropriation shall be considered to be approved if neither the Legislative Budget Board nor the Governor issues a written disapproval not later than:
- a. the 10th business day after the date the staff of the Legislative Budget Board concludes its review of the proposed appropriation and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and
  - b. the 10th business day after the receipt of the proposed appropriation by the Governor.
- \* 85. Contingent Appropriation of Additional Fee Revenues.**
- a. Included in amounts appropriated above in Strategy D.1.1, Food (Meat) and Drug Safety is additional revenue generated from fee increases and deposited by DSHS in the General Revenue Fund under Comptroller Object Codes 3142, 3180, 3400, 3414, or 3554 (estimated to be \$444,367 in both fiscal years 2006 and 2007) or General Revenue Dedicated Accounts No. 341, Food and Drug Fee Account (estimated to be \$70,104 in both fiscal years 2006 and 2007), No. 5022, Oyster Sales (estimated to be \$12,600 in both fiscal years 2006 and 2007), or No. 5024, Food and Drug Registration Account (estimated to be \$158,304 in both fiscal years 2006 and 2007), above the Comptroller of Public Accounts' Biennial Revenue Estimate.
  - b. Included in amounts appropriated above in Strategy D.1.2, Environmental Health, is additional revenue generated from fee increases and deposited by DSHS in the General Revenue Fund under Comptroller Object Codes 3123, 3141, 3175, 3180, 3555, 3562, or 3573 (estimated to be \$167,214 in both fiscal years 2006 and 2007) or General Revenue Dedicated Accounts No. 5017, Asbestos Removal Licensure Account (estimated to be

\*Rider amended to reflect all strategies affected by subsection (g).

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

\$97,868 in both fiscal years 2006 and 2007), or No. 5020, Workplace Chemicals List Account (estimated to be \$27,306 in both fiscal years 2006 and 2007), above the Comptroller of Public Accounts' Biennial Revenue Estimate.

- c. Included in amounts appropriated above in Strategy D.1.3, Radiation Control, is additional revenue generated from fee increases and deposited by DSHS in the General Revenue Fund under Comptroller Object Code 3589 (estimated to be \$679,596 in both fiscal years 2006 and 2007) or General Revenue Dedicated Account No. 5021, Certificate of Mammography Systems Account (estimated to be \$15,332 in both fiscal years 2006 and 2007), or the Perpetual Care Account (estimated to be \$7,150 in both fiscal years 2006 and 2007) above the Comptroller of Public Accounts' Biennial Revenue Estimate. Of these amounts, an estimated \$300,663 in each fiscal year is intended to be used for the purpose of addressing technical staffing issues in the strategy.
- d. Included in amounts appropriated above in Strategy D.1.4, Health Care Professionals, is additional revenue generated from fee increases and deposited by DSHS in the General Revenue Fund under Comptroller Object Codes 3175, 3560, 3562, 3616, or 3727 (estimated to be \$223,816 in both fiscal years 2006 and 2007) or General Revenue Dedicated Account No. 512, Bureau of Emergency Management Account (estimated to be \$36,845 in both fiscal years 2006 and 2007), above the Comptroller of Public Accounts' Biennial Revenue Estimate.
- e. Included in amounts appropriated above in Strategy D.1.5, Health Care Facilities, is additional revenue generated from fee increases and deposited by DSHS in the General Revenue Fund under Comptroller Object Codes 3180 or 3557 (estimated to be \$83,986 in both fiscal years 2006 and 2007) or General Revenue Dedicated Account No. 129, Hospital Licensing Account (estimated to be \$44,088 in both fiscal years 2006 and 2007), above the Comptroller of Public Accounts' Biennial Revenue Estimate.
- f. Included in amounts appropriated above in Strategy A.1.3, Maintain Vital Records, is additional revenue generated from fee increases and deposited by DSHS in the General Revenue Fund (estimated to be \$52,554 in both fiscal years 2006 and 2007) or General Revenue Dedicated Account No. 19, Vital Statistics Account (estimated to be \$108,404 in both fiscal years 2006 and 2007), above the Comptroller of Public Accounts' Biennial Revenue Estimate.
- g. Included in amounts appropriated above in Strategy E.1.1, Central Administration, Strategy E.1.2, IT Program Support, and Strategy E.1.3, Other Support Services, is additional revenue generated from fee increases and deposited by DSHS in the General Revenue Dedicated Accounts No. 19 (estimated to be \$15,068 in both fiscal years 2006 and 2007), No. 129 (estimated to be \$3,684 in both fiscal years 2006 and 2007), No. 341 (estimated to be \$4,945 in both fiscal years 2006 and 2007), No. 512 (estimated to be \$1,981 in both fiscal years 2006 and 2007), No. 5017 (estimated to be \$12,152 in both fiscal years 2006 and 2007), No. 5020 (estimated to be \$2,441 in both fiscal years 2006 and 2007), No. 5021 (estimated to be \$2,597 in both fiscal years 2006 and 2007), or No. 5024 (estimated to be \$20,344 in both fiscal years 2006 and 2007) above the Comptroller of Public Accounts' Biennial Revenue Estimate.

These appropriations are contingent on the Department of State Health Services assessing fees sufficient to generate, during the 2006-07 biennium, additional revenue in excess of amounts contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 2006 and 2007. The Executive Commissioner of the Health and Human Services Commission, the Commissioner of State Health Services or the designee under statute or by rule, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of any information supporting the estimated revenues to be generated for the 2006-07 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

**DEPARTMENT OF STATE HEALTH SERVICES**  
(Continued)

**86. Texas Cancer Registry.** Out of funds appropriated above in Strategy A.1.5, Health Registries, Information, and Analysis, the Department of State Health Services shall use \$875,000 in fiscal year 2006 and \$1,000,000 in fiscal year 2007 from Interagency Contracts (Other Funds) with the Higher Education Coordinating Board and/or the Health-Related Institutions of Higher Education and one FTE in each year for the purpose of enhancing the infrastructure of the cancer registry.

**HEALTH AND HUMAN SERVICES COMMISSION**

	For the Years Ending	
	August 31,	August 31,
	2006	2007
<b>Method of Financing:</b>		
<u>General Revenue Fund</u>		
General Revenue Fund	\$ 35,867,740	\$ 35,341,228
Medicaid Program Income	50,000	50,000
Vendor Drug Rebates–Medicaid, estimated	209,224,289	173,977,599
GR Match for Medicaid	4,285,418,270	4,429,382,440
GR MOE for Temporary Assistance for Needy Families	68,657,636	68,657,636
Earned Federal Funds	3,668,691	3,521,694
Premium Co-Payments, Low Income Children, estimated	7,391,572	8,074,937
Tobacco Settlement Receipts	34,202,414	38,331,447
GR for Substance Abuse Prevention and Treatment Block Grant	241,665	241,665
GR for Vocational Rehabilitation	367,197	367,197
GR Match for Food Stamp Administration	126,298,076	117,485,257
Tobacco Settlement Receipts Match for Medicaid	277,324,407	211,260,612
Tobacco Settlement Receipts Match for CHIP	163,711,679	212,277,441
GR Certified as Match for Medicaid	1,791,910	1,791,910
Experience Rebates-CHIP, estimated	0	0
Vendor Drug Rebates–CHIP, estimated	1,157,300	1,164,941
Cost Sharing - Medicaid Clients, estimated	0	0
Vendor Drug Rebates-Supplemental Rebates, estimated	49,776,173	39,963,038
* Medicare Giveback Provision	0	0
Subtotal, General Revenue Fund	\$ 5,265,149,019	\$ 5,341,889,042
<u>General Revenue Fund - Dedicated</u>		
Permanent Fund Tobacco Education & Enforcement Account No. 5044	2,779,351	2,779,351
Permanent Fund Children & Public Health Account No. 5045	54	54
Permanent Fund for EMS & Trauma Care Account No. 5046	764	764
Asbestos Removal Licensure Account No. 5017	3,671	3,671
Home Health Services Account No. 5018	28,983	28,983
Vital Statistics Account No. 019	79,840	79,840
Comprehensive Rehabilitation Account No. 107	27,223	27,223
Hospital Licensing Account No. 129	42,024	42,024
Bureau of Emergency Management Account No. 512	24,252	24,252
Public Health Services Fee Account No. 524	83,318	83,318
Subtotal, General Revenue Fund - Dedicated	\$ 3,069,480	\$ 3,069,480
Federal Funds	9,078,939,948	9,185,134,552
<u>Other Funds</u>		
Appropriated Receipts - Match for Medicaid	373,382,660	359,962,504
Medicaid Subrogation Receipts (State Share), estimated	14,757,948	14,757,948
Appropriated Receipts	7,463,882	7,463,882

\*Governor’s Proclamation vetoed \$444.3 million in biennial General Revenue related to Strategy B.2.3, Medicare Federal Give Back.

**HEALTH AND HUMAN SERVICES COMMISSION**  
(Continued)

Interagency Contracts	39,683,266	39,195,626
State Highway Fund No. 006 - Medicaid Match	10,000,000	10,000,000
Subtotal, Other Funds	\$ 445,287,756	\$ 431,379,960
<b>Total, Method of Financing</b>	<b>\$ 14,792,446,203</b>	<b>\$ 14,961,473,034</b>
<b>This bill pattern represents an estimated 80% of this agency's estimated total available funds for the biennium.</b>		
<b>Number of Full-Time-Equivalents (FTE):</b>	10,415.0	10,421.9
<b>Number of FTEs in Riders:</b>	(829.0)	(3,980.0)
<b>Schedule of Exempt Positions:</b>		
* Executive Commissioner of Health and Human Services, Group 6	\$200,000	\$200,000
<b>Items of Appropriation:</b>		
<b>A. Goal: HHS ENTERPRISE OVERSIGHT &amp; POLICY</b>		
HHS Enterprise Oversight and Policy.		
<b>A.1.1. Strategy:</b> ENTERPRISE OVERSIGHT & POLICY Enterprise Oversight and Policy.	\$ 29,871,520	\$ 29,871,523
<b>A.1.2. Strategy:</b> INTEGRATED ELIGIBILITY & ENROLLMENT Integrated Eligibility and Enrollment.	\$ 528,041,213	\$ 498,968,453
<b>A.2.1. Strategy:</b> OFFICE OF INSPECTOR GENERAL	\$ 38,231,438	\$ 38,231,435
<b>A.3.1. Strategy:</b> CONSOLIDATED SYSTEM SUPPORT	\$ 88,482,227	\$ 88,580,397
<b>Total, Goal A: HHS ENTERPRISE OVERSIGHT &amp; POLICY</b>	<b>\$ 684,626,398</b>	<b>\$ 655,651,808</b>
<b>B. Goal: MEDICAID</b>		
<b>B.1.1. Strategy:</b> AGED AND DISABLED Aged and Disabled Risk Groups.	\$ 2,487,973,980	\$ 2,719,167,348
<b>B.1.2. Strategy:</b> TANF ADULTS & CHILDREN TANF Adults & Children Risk Groups.	\$ 653,367,616	\$ 664,171,000
<b>B.1.3. Strategy:</b> PREGNANT WOMEN Pregnant Women Risk Group.	\$ 875,567,404	\$ 887,655,069
<b>B.1.4. Strategy:</b> CHILDREN & MEDICALLY NEEDY Children & Medically Needy Risk Groups.	\$ 3,017,206,032	\$ 2,815,992,398
<b>B.1.5. Strategy:</b> MEDICARE PAYMENTS For Clients Dually Eligible for Medicare and Medicaid.	\$ 1,021,060,183	\$ 1,262,036,534
<b>B.1.6. Strategy:</b> STAR+PLUS (INTEGRATED MANAGED CARE)	\$ 369,064,894	\$ 383,371,150
<b>B.2.1. Strategy:</b> COST REIMBURSED SERVICES	\$ 1,381,044,069	\$ 1,433,063,356
<b>B.2.2. Strategy:</b> MEDICAID VENDOR DRUG PROGRAM	\$ 2,257,897,750	\$ 1,859,887,462
** <b>B.2.3. Strategy:</b> MEDICARE FEDERAL GIVE BACK Prescription Drug Coverage for Dual-Eligibles.	\$ 0	\$ 0
<b>B.2.4. Strategy:</b> MEDICAL TRANSPORTATION	\$ 44,223,657	\$ 54,017,085
<b>B.2.5. Strategy:</b> MEDICAID FAMILY PLANNING	\$ 14,030,457	\$ 15,191,113
<b>B.3.1. Strategy:</b> HEALTH STEPS (EPSDT) MEDICAL	\$ 62,740,281	\$ 65,884,812
<b>B.3.2. Strategy:</b> HEALTH STEPS (EPSDT) DENTAL	\$ 433,345,276	\$ 458,695,280
<b>B.3.3. Strategy:</b> EPSDT COMPREHENSIVE CARE PROGRAM Health Steps (EPSDT) Comprehensive Care Program.	\$ 350,471,201	\$ 361,478,524
<b>B.4.1. Strategy:</b> STATE MEDICAID OFFICE	\$ 1,182,175	\$ 1,182,175
<b>Total, Goal B: MEDICAID</b>	<b>\$ 12,969,174,975</b>	<b>\$ 12,981,793,306</b>

\*Article IX, Section 14.27, increased salary from \$189,000 to \$200,000.

\*\*Governor's Proclamation vetoed \$444.3 million in biennial General Revenue related to Strategy B.2.3, Medicare Federal Give Back.

# HEALTH AND HUMAN SERVICES COMMISSION

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**C. Goal: CHIP SERVICES**

<b>C.1.1. Strategy:</b> CHIP Children's Health Insurance Program (CHIP).	\$ 486,566,623	\$ 646,094,736
<b>C.1.2. Strategy:</b> IMMIGRANT HEALTH INSURANCE Immigrant Children Health Insurance.	\$ 17,779,041	\$ 18,500,594
<b>C.1.3. Strategy:</b> SCHOOL EMPLOYEE CHILDREN INSURANCE	\$ 9,696,718	\$ 10,106,287
<b>C.1.4. Strategy:</b> CHIP VENDOR DRUG PROGRAM	<u>\$ 95,621,679</u>	<u>\$ 116,774,576</u>
<b>Total, Goal C:</b> CHIP SERVICES _____	\$ 609,664,061	\$ 791,476,193

**D. Goal: ENCOURAGE SELF SUFFICIENCY**

<b>D.1.1. Strategy:</b> TANF GRANTS Temporary Assistance for Needy Families Grants.	\$ 196,820,853	\$ 204,642,618
<b>D.1.2. Strategy:</b> NUTRITION ASSISTANCE	\$ 215,198,267	\$ 215,198,267
<b>D.1.3. Strategy:</b> REFUGEE ASSISTANCE	\$ 18,765,385	\$ 18,765,385
<b>D.2.1. Strategy:</b> FAMILY VIOLENCE SERVICES	<u>\$ 23,089,652</u>	<u>\$ 23,089,652</u>
<b>Total, Goal D:</b> ENCOURAGE SELF SUFFICIENCY _____	\$ 453,874,157	\$ 461,695,922

**E. Goal: PROGRAM SUPPORT**

<b>E.1.1. Strategy:</b> CENTRAL PROGRAM SUPPORT	\$ 11,354,944	\$ 11,354,944
<b>E.1.2. Strategy:</b> IT PROGRAM SUPPORT Information Technology Program Support.	\$ 17,222,705	\$ 17,222,705
<b>E.1.3. Strategy:</b> REGIONAL PROGRAM SUPPORT	<u>\$ 11,206,192</u>	<u>\$ 11,206,192</u>
<b>Total, Goal E:</b> PROGRAM SUPPORT _____	\$ 39,783,841	\$ 39,783,841

**F. Goal: INFORMATION TECHNOLOGY PROJECTS**

<b>F.1.1. Strategy:</b> TIERS Texas Integrated Eligibility Redesign System.	\$ 27,071,996	\$ 24,277,238
<b>F.1.2. Strategy:</b> HHSAS Health and Human Services Administrative System.	<u>\$ 8,250,775</u>	<u>\$ 6,794,726</u>
<b>Total, Goal F:</b> INFORMATION TECHNOLOGY PROJECTS _____	\$ 35,322,771	\$ 31,071,964

**Grand Total, HEALTH AND HUMAN SERVICES**

COMMISSION _____	<u>\$ 14,792,446,203</u>	<u>\$ 14,961,473,034</u>
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\* **Supplemental Appropriations Made in Riders:** \$ (45,686,117) \$ (139,734,020)

**Object-of-Expense Informational Listing:**

Salaries and Wages	\$ 332,944,293	\$ 248,816,290
Other Personnel Costs	47,902,101	46,902,451
Professional Fees and Services	403,976,827	415,864,867
Fuels and Lubricants	47,362	46,859
Consumable Supplies	1,695,830	1,675,952
Utilities	15,182,223	14,880,894
Travel	6,834,850	6,760,552
Rent - Building	27,878,373	27,278,497
Rent - Machine and Other	4,203,948	4,188,896
Other Operating Expense	84,486,261	64,002,206
Client Services	13,729,359,231	13,905,199,334
Grants	39,588,329	39,649,438
Capital Expenditures _____	<u>52,660,458</u>	<u>46,472,778</u>

**Total, Object-of-Expense Informational Listing** \$ 14,746,760,086 \$ 14,821,739,014

\*Modified by Article IX, Section 14.21, related to establishment of a multi-state drug purchasing pool, due to adoption of SB 1863. Reflects reduction of \$5,626,901 in General Revenue and \$14,309,621 in All Funds in 2006 and \$11,934,280 in General Revenue and \$30,190,437 in All Funds in 2007.

HEALTH AND HUMAN SERVICES COMMISSION  
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Estimated Allocations for Employee Benefits and Debt  
Service Appropriations Made Elsewhere in this Act:

<u>Employee Benefits</u>			
Retirement	\$	17,779,039	\$ 14,865,727
Group Insurance		64,486,496	58,414,457
Social Security		22,207,810	18,876,638
Benefits Replacement		3,938,249	3,227,100
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Subtotal, Employee Benefits	\$	108,411,594	\$ 95,383,922
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<u>Debt Service</u>			
Lease Payments	\$	1,334,858	\$ 1,305,143
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Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	\$	109,746,452	\$ 96,689,065
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1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Health and Human Services Commission. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Health and Human Services Commission. In order to achieve the objectives and service standards established by this Act, the Health and Human Services Commission shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2006</u>	<u>2007</u>
<b>A. Goal: HHS ENTERPRISE OVERSIGHT &amp; POLICY</b>		
<b>A.1.2. Strategy: INTEGRATED ELIGIBILITY &amp; ENROLLMENT</b>		
<b>Output (Volume):</b>		
Average Number of Families Determined Eligible Monthly-TANF	17,693	17,665
Average Number of Households Determined Eligible Monthly-Food Stamps	170,868	172,440
<b>Explanatory:</b>		
Percent of Poverty Met by TANF, Food Stamps, and Medicaid Benefits	77.62%	77.91%
<b>B. Goal: MEDICAID</b>		
<b>Outcome (Results/Impact):</b>		
Average Medicaid Acute Care Recipient Months Per Month	2,986,661	3,114,218
<b>B.1.5. Strategy: MEDICARE PAYMENTS</b>		
<b>Output (Volume):</b>		
Average Supplemental Medical Insurance Part B (SMIB) Recipient Months Per Month	489,835	511,696
Average Qualified Medicare Beneficiaries (QMBs) Recipient Months Per Month	105,723	128,922
<b>Efficiencies:</b>		
Average SMIB Premium Per Month	87.47	102.56
<b>B.1.6. Strategy: STAR+PLUS (INTEGRATED MANAGED CARE)</b>		
<b>Output (Volume):</b>		
Avg Aged and Medicare-eligible Recipient Months Per Month: STAR+PLUS	30,872	31,683
Average Disabled and Blind Recipient Months Per Month: STAR+PLUS	23,629	23,918
<b>Efficiencies:</b>		
Average Premium Per Aged and Medicare-eligible Recipient Month: STAR+PLUS	287.42	295.69
Average Premium Per Disabled and Blind Recipient Month: STAR+PLUS	898.92	910.81
<b>B.2.1. Strategy: COST REIMBURSED SERVICES</b>		
<b>Output (Volume):</b>		
Average Number of Undocumented Persons Recipient Months Per Month	11,872	13,891

**HEALTH AND HUMAN SERVICES COMMISSION**  
(Continued)

<b>Efficiencies:</b>		
Average Undocumented Persons Cost Per Recipient Month	3,229.01	3,226.86
<b>B.2.2. Strategy:</b> MEDICAID VENDOR DRUG PROGRAM		
<b>Output (Volume):</b>		
Total Medicaid Prescriptions Incurred	32,710,587	30,292,112
<b>B.3.3. Strategy:</b> EPSDT COMPREHENSIVE CARE PROGRAM		
<b>Output (Volume):</b>		
Average Number of EPSDT-CCP Recipient Months per Month	545,995	612,201
<b>B.4.1. Strategy:</b> STATE MEDICAID OFFICE		
<b>Output (Volume):</b>		
Medicaid Acute Care Recipient Months Per Month: Managed Care	2,012,566	2,134,606
<b>C. Goal:</b> CHIP SERVICES		
<b>Outcome (Results/Impact):</b>		
Average CHIP Programs Recipient Months Per Month (Includes Immigrant Health Insurance and School Employee Children Insurance)	362,175	398,630
Average CHIP Programs Benefit Cost without Prescription Benefit Per Recipient Month (Includes Immigrant Health Insurance and School Employee Children Insurance)	117.74	140.6
Average CHIP Programs Benefit Cost with Prescription Benefit Per Recipient Month (Includes Immigrant Health Insurance and School Employee Children Insurance)	139.74	165.02
<b>C.1.4. Strategy:</b> CHIP VENDOR DRUG PROGRAM		
<b>Output (Volume):</b>		
Total Number of CHIP Prescriptions (Includes Immigrant Health Insurance and School Employee Children Insurance)	1,674,635	2,045,089
<b>Efficiencies:</b>		
Average Cost Per CHIP Prescription (Includes Immigrant Health Insurance and School Employee Children Insurance)	57.1	57.1
<b>D. Goal:</b> ENCOURAGE SELF SUFFICIENCY		
<b>Outcome (Results/Impact):</b>		
Unduplicated Number of TANF Adult Clients per Year Who Have Exhausted Their Time-limited Benefits	5,591	5,583
<b>D.1.1. Strategy:</b> TANF GRANTS		
<b>Output (Volume):</b>		
Average Number of TANF Recipients Per Month	211,709	215,300
Average Number of TANF State-paid Recipients Per Month	16,718	16,871
Average Number of TANF One-time Payments Per Month	948	946
<b>Efficiencies:</b>		
Average Monthly Grant: TANF	62.44	64.26
Average Monthly Grant: TANF-State Paid	59.85	61.14
<b>D.1.2. Strategy:</b> NUTRITION ASSISTANCE		
<b>Output (Volume):</b>		
Average Number of Children and Adults Served Meals through Child and Adult Care Food Program Per Day	241,634	245,435
<b>D.1.3. Strategy:</b> REFUGEE ASSISTANCE		
<b>Output (Volume):</b>		
Number of Refugees Receiving Contracted Social Services, Financial Assistance, or Medical Assistance	7,100	7,100
<b>D.2.1. Strategy:</b> FAMILY VIOLENCE SERVICES		
<b>Output (Volume):</b>		
Number of Women and Children Served	87,102	87,102
<b>Efficiencies:</b>		
Health and Human Services Average Cost Per Person Receiving Emergency Shelter and/or Nonresident Services	266.23	266.23



**HEALTH AND HUMAN SERVICES COMMISSION**  
(Continued)

- 2. Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	<u>2006</u>	<u>2007</u>
a. Acquisition of Information Resource Technologies		
(1) Compliance with Federal HIPAA (Health Insurance Portability and Accountability Act) Regulations Across HHS Agencies	\$ 6,089,356	\$ 6,089,356
(2) Infrastructure Maintenance	8,875,410	8,303,395
(3) Health and Human Services Administrative System (HHSAS) Project	8,250,775	6,794,726
(4) TIERS Debt Service	2,837,279	683,907
(5) Texas Integrated Eligibility Redesign System	14,903,873	14,903,873
(6) TIERS Lease Payments to Master Lease Program	10,367,058	8,803,107
Total, Acquisition of Information Resource Technologies	\$ 51,323,751	\$ 45,578,364
Total, Capital Budget	\$ 51,323,751	\$ 45,578,364

Method of Financing (Capital Budget):

GR Match for Medicaid	\$ 12,512,083	\$ 11,122,542
GR MOE for Temporary Assistance for Needy Families	113,518	90,328
Earned Federal Funds	48,976	32,345
GR Match for Food Stamp Administration	9,960,696	8,595,625
General Revenue Fund	3,351,192	2,818,981
Subtotal, General Revenue Fund	\$ 25,986,465	\$ 22,659,821
Federal Funds	22,556,768	20,627,735
Interagency Contracts	2,780,518	2,290,808
Total, Method of Financing	\$ 51,323,751	\$ 45,578,364

- 3. Budget Authority for Estimated Pass-through Funds.** In addition to the amounts appropriated above for the Health and Human Services Commission, the Commission may establish additional budget authority with the Comptroller of Public Accounts to reflect other estimated income except from the General Revenue Fund.
- 4. Reimbursement of Advisory Committee Members.** Pursuant to Government Code § 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above - not to exceed \$39,565 per year, is limited to the following advisory committees: Hospital Payment Advisory Committee, Medical Care Advisory Committee, Drug Use Review Board, Pharmaceutical and Therapeutics Committee, and Guardianship Advisory Board.

To the maximum extent possible, the Commission shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.

## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

5. **Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the GR Match for Medicaid appropriated above is \$1,414,870 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code § 32.039. Any amounts above \$1,414,870 are hereby appropriated to the Health and Human Services Commission in amounts equal to the costs of the investigation and collection proceedings conducted under the authority of that section.
6. **TIERS Oversight.** It is the intent of the Legislature in funding the Texas Integrated Eligibility Redesign System (TIERS) initiative at the Health and Human Services Commission that the agency shall continue in its project oversight role to assure that client eligibility systems among other health and human services agencies and the Workforce Commission are appropriately accommodated in the design and implementation of TIERS.
7. **Assessments to Health and Human Services Agencies.** The Health and Human Services Commission shall notify the Legislative Budget Board and the Governor by September 1 of each fiscal year of the annual amount of funds to be transferred by interagency contract by each agency under the authority of the Health and Human Services Commission in Government Code, Chapter 531. The report shall provide an explanation of each contract. The Health and Human Services Commission shall provide quarterly updates to the Legislative Budget Board and the Governor, indicating amounts that have actually been transferred and amounts that remain to be transferred.
8. **Custody Relinquishment Prevention Plan.** The Health and Human Services Commission is hereby authorized to develop and implement a plan to prevent custody relinquishment of youth with serious emotional disturbances. To the extent required to implement the plan, the Health and Human Services Commission is authorized to request any necessary waivers or authorizations from the federal government. The Health and Human Services Commission may delay implementing the plan until necessary waivers, authorizations, and funding are provided.
9. **Limitation: Medicaid and CHIP Transfer Authority.**
  - a. **Goal B, Medicaid.** Notwithstanding the transfer provisions in the general provisions (general transfer provisions) of this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for Medicaid Strategies in Goal B may be transferred to any other item of appropriation or expended for any other purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, transfers may be made between Medicaid Strategies in Goal B in accordance with other provisions in this Act, including the general transfer provisions.
  - b. **Goal C, CHIP Services.** Notwithstanding the transfer provisions in the general provisions (general transfer provisions) of this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for CHIP Strategies in Goal C may be transferred to any other item of appropriation or expended for any other purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, transfers may be made between CHIP Strategies in Goal C in accordance with other provisions in this Act, including the general transfer provisions.
  - c. **Exception to Limitations on Transfers.** As an exception to limitations on transfers found in subsections (a) and (b) of this provision, up to a total of \$14.0 million in General Revenue for the biennium from Goal B, Medicaid and Goal C, CHIP Services, may be transferred within the Commission's bill pattern to fund Integrated Eligibility. The Commission shall provide notification to the Legislative Budget Board and the Governor of its intent to transfer funding under authority of this subsection. The proposed expenditure shall be considered to be approved if neither the Legislative Budget Board nor the Governor issues a written disapproval not later than:

## HEALTH AND HUMAN SERVICES COMMISSION

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- (1) The 10th business day after the date the staff of the Legislative Budget Board concludes its review of the proposed expenditures and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and
- (2) The 10th business day after the receipt of the proposed expenditures by the Governor.

### 10. Vendor Drug Rebates - Medicaid and CHIP.

- a. **Medicaid.** The Health and Human Services Commission is authorized to expend Medicaid rebate revenues appropriated above in Strategy B.2.2, Medicaid Vendor Drug Program, pursuant to the federal requirements of the Omnibus Budget and Reconciliation Act of 1990 as well as rebates collected in excess of federal requirements pursuant to state law. All references in this rider to rebate revenue refer to vendor drug rebates as well as supplemental rebates earned via the preferred drug lists (methods of finance include Vendor Drug Rebates-Medicaid, Vendor Drug Rebates-CHIP and Vendor Drug Rebates-Supplemental Rebates);
- b. **CHIP.** The Health and Human Services Commission is authorized to expend CHIP rebate revenues and related interest earnings appropriated above in Strategy C.1.4, CHIP Vendor Drug Program;
- c. **Rebates as a First Source of Funding.** Expenditures for the Medicaid and CHIP Vendor Drug Programs shall be made from rebates received in fiscal years 2006 and 2007. As rebates are generated, expenditures to support the Medicaid and CHIP Vendor Drug Programs shall be made from rebate revenues. In the event rebate revenues are not available for expenditure, General Revenue may be used to support both Vendor Drug Programs until rebate revenues are available.
- d. **Appropriation.** In addition to rebate revenues appropriated above in Strategy B.2.2, Medicaid Vendor Drug Program, and Strategy C.1.4, CHIP Vendor Drug Program, the Health and Human Services Commission is appropriated Medicaid and CHIP vendor drug rebates generated in excess of those amounts, subject to the following requirements:
  - (1) Vendor drug rebates shall be expended prior to utilization of any General Revenue available for the purpose of the CHIP or Medicaid Vendor Drug Programs;
  - (2) In the event General Revenue has been expended prior to the receipt of vendor drug rebates, the Commission shall reimburse General Revenue. The Commission shall reimburse the General Revenue Fund with vendor drug rebates on a monthly basis in order to prevent accumulation of vendor drug rebates; and
  - (3) The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on Medicaid and CHIP vendor drug receipts, expenditures (including expenditures from the General Revenue Fund, made pursuant to this section), and anticipated revenues and balances.
- e. **Limited Use of Rebates.** Rebates generated by the Medicaid program shall only be used for the Medicaid program. Rebates generated by the CHIP program shall only be used for the CHIP program.

11. **Medicaid Subrogation Receipts (State Share).** For the purposes of this provision, Medicaid Subrogation Receipts are defined as tort settlements related to the Medicaid program. Amounts defined as Medicaid Subrogation Receipts are to be deposited into the General Revenue Fund, Object No. 3802. The Commission is authorized to receive and expend Medicaid Subrogation Receipts. Expenditures shall be made from recoupments and interest earnings received in fiscal year 2006 and fiscal year 2007. The use of the state's share of Medicaid Subrogation Receipts is limited to funding services for Medicaid clients. Medicaid Subrogation Receipts shall be

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expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Medicaid Subrogation Receipts (State Share), the Commission is hereby appropriated and authorized to expend these Other Funds thereby made available, subject to the following requirements:

- a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;
- b. In the event General Revenue has been expended prior to the receipt of the state's share of Medicaid Subrogation Receipts, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of Medicaid Subrogation Receipt balances; and
- c. The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on Medicaid Subrogation Receipts, expenditures, and anticipated revenues and balances.

The preceding paragraph shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

- 12. Appropriation Transfer Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act and in order to provide for unanticipated events that increase costs associated with providing Medicaid or CHIP services for eligible clients, the Health and Human Services Commission is authorized to transfer General Revenue from funds appropriated in Medicaid or CHIP strategies in fiscal year 2007 to fiscal year 2006. Such transfers may only be made subject to the following:

- a. Transfers under this section may be made only:
  - (1) if costs associated with providing Medicaid or CHIP services exceed the funds appropriated for these services for fiscal year 2006, or
  - (2) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.
- b. A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board.
- c. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.

- 13. Reporting of Child Abuse.** The Texas Health and Human Services Commission may distribute or provide appropriated funds only to recipients who show good-faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code.

- 14. Authorization to Receive, Administer, and Disburse Federal Funds.** The appropriations made herein may be used to match or to meet maintenance of effort requirements for Federal Funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of state programs of health and public welfare services. Notwithstanding the General Provisions of this Act, the Health and Human Services Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as Federal Funds for such purposes, and to receive, administer, and disburse Federal Funds for federal regional programs in accordance with plans agreed upon by the Health and Human Services Commission and the responsible federal agency, and such other activities as come under the authority of the

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Commissioner of Health and Human Services, and such moneys are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned Federal Funds are not considered to be Federal Funds for the purpose of this section.

15. **Medical Assistance Payments and Unexpended Balances.** General Revenue funds appropriated above in Goal B for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day of each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2006 to fiscal year 2007, and such funds are appropriated to the Commission for the 2006-07 biennium.
16. **Risk Stabilization Reserve.** Out of funds appropriated above, the agency shall contract with an independent audit entity to audit the closeout of the Medicaid claims payment contract with the National Heritage Insurance Company (NHIC). In lieu of pursuing a contract and at the discretion of the State Auditor, the State Auditor's Office may conduct the audit. Special attention shall be paid to those adjustments made after December 31, 2003, when NHIC was no longer responsible for processing claims. The scope of the audit shall be provided to the Legislative Budget Board and the Comptroller of Public Accounts 45 days prior to the start of the audit. All findings shall be reported to the Governor, the Legislative Budget Board, and the Comptroller within 30 days of completion of the audit. The state's share of any identified unexpended balance in the risk stabilization reserve and/or trust account, or of other funds owed to the state, shall be deposited into the General Revenue Fund and such funds are not appropriated to the Health and Human Services Commission.

If the agency determines that an audit has already met these requirements, it will be at the discretion of the State Auditor to review the audit and determine if any further audit is warranted.

17. **Accounting of Support Costs.** The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Health and Human Services Commission is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The Commission shall be responsible for quarterly allocations of these costs to the original strategies.
18. **Payment of Hospital Providers.** At the hospital's option, all payments from funds appropriated for acute care services made to hospitals (1) with more than 100 licensed beds, located in a county that is not a metropolitan statistical area (MSA) as defined by the U.S. Office of Management and Budget, and designated by Medicare as Sole Community Hospital (SCH) or Rural Referral Center (RRC), or (2) with 100 or fewer licensed beds may be reimbursed under a cost-reimbursement methodology authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) using the most current available cost figures. Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap. Hospitals that meet this criteria as of September 1, 2005, retain this reimbursement methodology in fee-for-service and managed care models.

At initial cost settlement of the hospital's fiscal year, the Health and Human Services Commission shall determine the amount of reimbursement the hospital would have been paid under TEFRA cost principles, and if the amount of reimbursement under the TEFRA principles is greater than the amount of reimbursement received by the hospital under the prospective payment system, the Health and Human Services Commission shall reimburse the hospital the difference. These payments shall be made out of the funds appropriated above for acute care hospital services.

## HEALTH AND HUMAN SERVICES COMMISSION

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- 19. Payments to Rural Hospitals under Medicaid Managed Care.** All payments from funds appropriated for acute care services made to rural hospitals with 100 or fewer licensed beds in counties with fewer than 50,000 persons that are in a Medicaid managed care program must be reimbursed at a rate calculated using the higher of the prospective payment system rate or cost-reimbursement methodology authorized under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap. Under a full-risk managed care pilot project, the participating managed care organizations shall reimburse the hospitals. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.
- 20. Payments to Rural Physicians under Medicaid Managed Care.** All payments made to physicians who practice in rural counties with fewer than 50,000 persons and who participate in a Medicaid managed care program must be reimbursed at the Medicaid fee schedule, or in the case of a full-risk managed care model, at a rate using the current Medicaid fee schedule, including negotiated fee for service. Under a primary care case management system model, primary care physicians also shall be paid a monthly case management fee. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.
- 21. Disposition of Appropriation Transfers from State-owned Hospitals.** The Health and Human Services Commission shall use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments due to state-owned hospitals. Any amounts of such transferred funds not required for disproportionate share payments or payments as specified by rider 30, Graduate Medical Education, shall be deposited by the Health and Human Services Commission to the General Revenue Fund as unappropriated revenue. By October 1 of each fiscal year, the Health and Human Services Commission shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board. The Comptroller of Public Accounts shall process all payments and transfers, unless disapproved or modified by the Legislative Budget Board or the Governor.
- 22. Transfer Authority.** Subject to the limitations contained in rider 9, Limitation: Medicaid and CHIP Transfer Authority, and notwithstanding any other provision, appropriations contained in this Act to the Health and Human Services Commission may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, upon approval by the Commissioner, subject to the following reporting requirements:

  - a. At least 45 days prior to any transfer of funds between items of appropriation notification shall be made to the Governor and the Legislative Budget Board.
  - b. At least 45 days prior to adopting or implementing a program expansion, notification shall be made to the Governor and the Legislative Budget Board. Program expansion is defined as any modification of current policy that would result in delivery of new or additional services not previously provided or the delivery of services to additional client populations.
  - c. Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection; and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.

## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

- 23. Medicaid Provider Reimbursement.** The Health and Human Services Commission shall establish and maintain a provider reimbursement methodology that recognizes and rewards high volume Medicaid practitioners, to include those along the Texas-Mexico border and in medically underserved inner-city areas, where Medicaid funding is vital to the health care delivery system.
- 24. Use of Additional Medicaid Program Income.** For the purposes of this provision, Medicaid program income is defined as: 1) refunds/rebates of previously paid premiums and interest earnings generated in relationship to accounts listed below; 2) refunds/rebates received from the Medicaid claims payment contractor or other sources; and 3) managed care rebates as described below. Amounts defined as program income are to be deposited into the General Revenue Fund, Object No. 3639. The Health and Human Services Commission is authorized to receive and spend program income and interest earnings generated from fund balances with the Disbursement Account, and the STAR (Managed Care) Account, as defined in the contractual agreement with the fiscal agent and/or insurance carrier for purchased health services except for those interest earnings related to the Cash Management Improvement Act (CMIA). The Commission is also authorized to receive and spend experience rebates generated in accordance with its contractual agreements with health maintenance organizations who participate in Medicaid managed care. Expenditures shall be made from credits, managed care rebates, and interest earnings received in fiscal years 2006 and 2007. The use of the credits, managed care rebates, and interest earnings is limited to funding services for Medicaid clients. Medicaid program income shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Medicaid Program Income, the commission is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements:
- a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;
  - b. In the event General Revenue has been expended prior to the receipt of program income, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of program income balances; and
  - c. The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on program income receipts, expenditures, and anticipated revenues and balances.

The preceding paragraph shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

- 25. Use of Additional CHIP Experience Rebates.** For the purposes of this provision, CHIP Experience Rebates are defined as: 1) refunds/rebates of previously paid CHIP premiums and related interest earnings; and 2) managed care rebates and related interest earnings as described below. Amounts defined as CHIP Experience Rebates are to be deposited into the General Revenue Fund. The Health and Human Services Commission is authorized to receive and spend experience rebates generated in accordance with its contractual agreements with managed care organizations and other providers who participate in the CHIP, Immigrant Health Insurance, and School Employee Health Insurance programs. Expenditures shall be made from CHIP Experience Rebates generated in fiscal years 2006 and 2007. The method of financing item, Experience Rebates - CHIP, for appropriations made above, includes unexpended and unobligated balances of Experience Rebates - CHIP remaining as of August 31, 2005, and receipts earned in fiscal years 2006 and 2007.

## HEALTH AND HUMAN SERVICES COMMISSION

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The use of CHIP Experience Rebates is limited to health care services for CHIP clients. CHIP Experience Rebates shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support CHIP-related programs. In the event that these revenues should be greater than the amounts identified in the method of finance above as Experience Rebates - CHIP, the department is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements:

- a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes;
- b. In the event General Revenue has been expended prior to the receipt of CHIP Experience Rebates, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of CHIP Experience Rebate balances; and
- c. The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller's Office on CHIP Experience Rebate receipts, expenditures, and anticipated revenues and balances.

The preceding paragraph shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

- 26. Language Interpreter Services.** It is the intent of the Legislature that the Health and Human Services Commission provide recipients of medical assistance with oral and written language interpreter services financed solely by contributions from local governmental entities and federal matching funds available under the medical assistance program.

**27. CHIP: Unexpended Balances and Allocation of Funds.**

- a. The Health and Human Services Commission is hereby appropriated any unexpended balances remaining as of August 31, 2005, from the appropriations for the Children's Health Insurance Program (estimated to be \$0). Balances appropriated may only be expended in the manner provided for by this section.
- b. It is the intent of the Legislature that tobacco settlement receipts appropriations made above in Goal C, CHIP Services, include \$187.1 million for fiscal year 2006 and \$239.5 million for fiscal year 2007 in tobacco settlement receipts paid to the State pursuant to the Comprehensive Tobacco Settlement and Release. In the event that the state has not received a tobacco settlements payment for fiscal year 2006 and fiscal year 2007 by September 1 of each year of the biennium, the Comptroller of Public Accounts is hereby authorized to use general revenue funds as needed for program expenditures for cash flow purposes between the beginning of the fiscal year and the receipt by the state of the tobacco settlement payment for the fiscal year. Upon receipt of the tobacco settlement payment, the general revenue fund shall be reimbursed with tobacco settlement receipts for all expenditures made pursuant to this provision.
- c. Any unexpended balances remaining from appropriations made in Goal C, CHIP Services, for fiscal year 2006 may be carried over to fiscal year 2007.

- 28. Cash Basis Expenditures Authorization.** Notwithstanding any other provision of this Act, the Health and Human Services Commission is authorized to expend Medicaid appropriations in a fiscal year without regard to date of service. The authorization herein is limited to expenditures for claims payments, premiums, cost settlements and other related expenses for Medicaid client services.

- 29. Mental Retardation Provider Cost Reporting.** The Health and Human Services Commission shall review and revise its mental retardation provider cost reporting rules, regulations and procedures for the purposes of simplifying the cost reporting process and reducing overall



## HEALTH AND HUMAN SERVICES COMMISSION

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administrative costs to the state and providers while providing fair and accurate financial information to the state necessary to the proper planning and funding of mental retardation services. In so doing, the Health and Human Services Commission shall seek to capture any and all costs, follow GAAP standards and to the extent possible, utilize financial statements similar to those prepared for banking, tax, and other common business financial planning, evaluation and reporting purposes.

In implementing this directive, the Commission shall work with providers, advocates, agency staff, and private sector financial experts, and shall ensure a clear separation between the rate setting and analysis functions from the audit functions.

30. **Graduate Medical Education.** The Health and Human Services Commission is authorized to spend up to \$80.9 million in Appropriated Receipts - Match for Medicaid and an amount of Federal Funds estimated to be \$124.4 million for the biennium out of Strategy B.2.1. Cost Reimbursed Services, for Graduate Medical Education payments to teaching hospitals, contingent upon receipt of allowable funds from public teaching hospitals to be used as the non-federal share for Medicaid Graduate Medical Education. Appropriated Receipts - Match for Medicaid shall be the only source of funds used for the non-federal share for Medicaid Graduate Medical Education. The Commission shall develop a payment methodology that allocates funds for Medicaid Graduate Medical Education to all public and private teaching hospitals, and mitigates negative fiscal impacts on contributing hospitals and other state funding.
31. **Contingent Appropriation: Cost Sharing - Medicaid Clients.** Contingent upon federal approval, the Health and Human Services Commission is authorized to collect and is hereby appropriated all cost sharing revenues generated by Medicaid clients as authorized in Section 32.064 of the Human Resources Code.
32. **Food Stamp Program Funds Appropriated.** The Health and Human Services Commission is hereby designated as the state agency to establish and operate a statewide Food Stamp Program and to accept all moneys appropriated for this purpose by the federal or state governments, by the Commissioners' Court of any county, by any political subdivisions of the state, or received from any other source as provided for herein and in Chapter 33, Human Resources Code. The Health and Human Services Commission is authorized to expend such funds for welfare purposes, including the cost of distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto, for the establishment and operation of a statewide Food Stamp Program, and for the employment of essential personnel who shall be employed under a merit system basis comparable to the merit principles or standards applicable to all other personnel of the department.
33. **Additional Funding Sources, Medicaid.** Notwithstanding any other provisions of this Act, if the appropriations provided for a Medicaid program are not sufficient to provide for expenditures mandated by either state or federal law, after accounting for any appropriations made to the agency operating the Medicaid program, and available for transfer to the Medicaid program, the Legislative Budget Board and the Governor may provide for and are hereby authorized to direct the transfer of sufficient amounts of funds to the Health and Human Services Commission from appropriations made elsewhere in this Act.
34. **Appropriation and Reporting of Earned Federal Funds.**
  - a. The Health and Human Services Commission shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.
  - b. The authority to receive and expend earned federal funds generated in the 2006-07 biennium in excess of those appropriated above is subject to the following limitations:

## HEALTH AND HUMAN SERVICES COMMISSION

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- (1) At least 45 days prior to budgeting or expending earned federal funds above levels indicated in the appropriation above, the commission shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor.
    - (2) Notifications shall include information regarding the need that will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs.
    - (3) Notifications shall also identify the impact on established performance targets, measures, and full-time equivalent positions.
  - c. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 2005 (estimated to be \$0), and receipts earned in fiscal years 2006 and 2007.
- 35. Child Support Supplemental Payments.** Out of the funds appropriated above in Strategy D.1.1, TANF Grants, and child support collections from the Child Support Trust Fund, the commission shall make supplemental payments to families receiving welfare who would be eligible to receive child support "pass through" and "first excess" payments under the Social Security Act Title IV-D child support distribution requirements prior to passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These payments shall equal the amount of the "pass through" and "first excess" payment the family would have received under prior law. Child support collections shall comprise a portion of each total payment. The portion of the total payment funded with child support collections shall equal the state share of the Federal Medical Assistance Percentage (FMAP) for the fiscal year. If child support "pass through" or "first excess" payment distribution requirements are modified by federal law after enactment of this provision, the commission, in cooperation with the Office of the Attorney General, shall adjust the supplemental payments as necessary to be consistent with federal law and to not exceed the total the family would have received prior to welfare reform. The commission shall report any change to child support supplemental payments to the Governor and Legislative Budget Board.
- 36. Temporary Emergency Assistance for Families At-Risk of Welfare Dependency.** Out of funds appropriated above in Strategy D.1.1, TANF Grants, the commission shall provide a one-time emergency assistance payment to applicants for Temporary Assistance for Needy Families (TANF) who are likely to be employed within a short period of time, without referral to the Choices program. It is the intent of the Legislature that the commission expand the use of one-time emergency payments as a cost-effective deterrence from the TANF program.
- 37. High Performance Bonus for Administration of the Food Stamp Program.** High Performance Bonuses are annual incentive payments to state agencies that meet standards for high or most improved performance established by the Secretary of the U.S. Department of Agriculture. The authority to expend high performance bonuses for administrative costs paid in a prior fiscal year is subject to the following conditions:
- a. Within 30 days of receiving notice of the state's eligibility for a performance bonus, the Health and Human Services Commission shall notify the Legislative Budget Board and the Governor;
  - b. At least 45 days prior to budgeting a performance bonus, the Health and Human Services Commission shall provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor. The report shall identify the impact on established performance targets, measures, and full-time equivalent positions, and shall be prepared in a format specified by the Legislative Budget Board.

## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

- c. In the event that the state receives a performance bonus, the Health and Human Services Commission is appropriated all funds received by the agency as Earned Federal Funds (General Revenue) subject to all limitations in this rider and to the following:
    - (1) A portion of these funds, in each year of the biennium, shall be used by the Health and Human Services Commission for the development and operation of a nutrition education and outreach program, or for activities that otherwise improve low-income consumers' access to basic nutrition and healthy foods; and
    - (2) A portion of these funds, in each year of the biennium, shall be used by the Health and Human Services Commission to provide bonuses to position classifications whose efforts directly contributed to meeting these performance standards, or to position classifications who meet or exceed customer service performance measures developed by the commission, or whose efforts directly contributed to increasing the percentage of eligible persons who receive Food Stamps.
    - (3) Any High Performance bonus received by the Health and Human Services Commission between June 2, 2005 and August 31, 2005 is hereby appropriated to the commission.
  - d. Before an employee can be eligible for a bonus, the employee must have been employed in the program for the related twelve months, remains employed in the program, and whose performance meets expectations.
  - e. The commission has the authority to determine whether employees who have received bonuses under this provision are eligible for merit salary increases during a twelve-month period prior to or after receipt of the bonus.
  - f. The commission shall prepare annual reports by October 1 of each year of the biennium summarizing the commission's progress in implementing the outreach program required in section (c) and file those reports with the standing committees of the Senate and House of Representatives having primary jurisdiction over health and human services.
- 38. Temporary Assistance for Needy Families (TANF) Maintenance of Effort.** It is the intent of the Legislature that all general revenue appropriated above for TANF maintenance of effort shall be expended within the appropriate fiscal year for that purpose in order to secure the TANF federal block grant for the state. Out of funds appropriated above in Strategy D.1.1, TANF Grants, \$68,657,338 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2006, and \$68,657,338 in general revenue is appropriated for TANF maintenance of effort for fiscal year 2007. None of the general revenue appropriated for TANF maintenance of effort in Strategy D.1.1, TANF Grants, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated. However, general revenue appropriated for TANF maintenance of effort may be transferred to Strategy A.1.2, Integrated Eligibility and Enrollment, subject to the following limitations:
- a. Declines or shifts in TANF caseloads prevent the Health and Human Services Commission from expending all general revenue appropriated for TANF maintenance of effort in Strategy D.1.1, TANF Grants, within the appropriate fiscal year;
  - b. The amount of general revenue transferred from Strategy D.1.1, TANF Grants, shall be expended within Strategy A.1.2, Integrated Eligibility and Enrollment, for TANF program operating costs, within the appropriate fiscal year; and
  - c. At least 45 days prior to transferring general revenue funds between Strategy D.1.1, TANF Grants, and Strategy A.1.2, Integrated Eligibility and Enrollment, the Health and Human Services Commission shall notify the Legislative Budget Board and the Governor.

## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

39. **Earned Income Disregard.** It is the intent of the Legislature that out of amounts appropriated above to Strategy D.1.1, TANF Grants, the Health and Human Services Commission is to maintain the earned income disregard for working TANF families. When determining eligibility and benefits, the commission shall exclude \$120 of earnings and 90 percent of the remaining earnings for each of the first four months of employment by a recipient. After the first four months of employment, the commission shall exclude \$120 of a recipient's earnings each month.
40. **Performance Reporting for the Prescription Drug Rebate Program.** The Commission shall report on a semi-annual basis the following information to the Legislative Budget Board, the State Auditor's Office and the Governor: the outstanding prescription drug rebate balances for the Medicaid, CHIP, Kidney Health, and Children with Special Health Care Needs programs. The report shall include rebate principal and interest outstanding, age of receivables, and annual collection rates. The reports shall specify amounts billed, dollar value of pricing and utilization adjustments, and dollars collected. The Commission shall report these data on each year for which the Prescription Drug Rebate program has collected rebates and also on a cumulative basis for all years. In addition, the Commission shall provide no later than August 31, 2006 a separate report to the Legislative Budget Board, State Auditor's Office and the Governor's Office detailing the outstanding Medicaid prescription drug rebates and interest balances for the period from 1991 through the second quarter of calendar year 1995 in the format specified above.

In order to fully comply with this rider, the Commission should address data integrity issues related to the calculation of outstanding balance, cited in the State Auditor's Office report number 03-029 *An Audit Report on the Health & Human Services Commission Prescription Drug Rebate Program*.

41. **TANF Grants.** It is the intent of the Legislature that the commission shall adjust the TANF grant amount each year to ensure that the maximum monthly grant for a family of three is at least 17 percent of the federal poverty level and provide a one-time per year grant of up to \$30 for each TANF child on August 1 of each year.
42. **Texas Integrated Eligibility Redesign Systems (TIERS).** To fund the debt related to TIERS, the department may seek funding from the most cost-effective type of financing, including but not limited to cash acquisition, commercial financing, and financing provided by the Texas Public Finance Authority. From any funds appropriated to the Health and Human Services Commission for the purpose of implementing the project, an amount not to exceed \$3,521,186 (amounts needed for debt service) and an amount not to exceed \$19,170,165 (amounts needed for Master Lease Purchase Program) for the biennium in all funds may be transferred to the Texas Public Finance Authority for lease payments to the Texas Public Finance Authority to pay debt service on the obligations issued by the Texas Public Finance Authority on behalf of the commission for the above-mentioned project.
43. **Capital Purchases on Behalf of other Government Entities or Service Providers.** Any capital items purchased by the Health and Human Services Commission (HHSC) for use by local governmental entities for which the commission is reimbursed do not apply to the commission for the purpose of the capital budget rider limitations specified in Article IX, Limitation on Expenditures - Capital Budget, of the General Provisions of this Act, nor to HHSC rider 2, Capital Budget.
44. **Reimbursement of Advisory Council Members.** Pursuant to Government Code §531.408, reimbursement of travel expenses for Health and Human Services Council members, out of funds appropriated above, is hereby authorized such that the sum total of all reimbursements for members of the Council shall not exceed \$10,825 per fiscal year, at the rates specified in the general provisions of this Act.

## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

### 45. Other Reporting Requirements.

- a. Federal Reports. The Health and Human Services Commission shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government:
  - (1) Notification of proposed State Plan amendments or waivers for Medicaid, CHIP, TANF and any other federal grant requiring a state plan. State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committees.
  - (2) A copy of each report or petition submitted to the federal government relating to Medicaid, CHIP, and TANF.
- b. Federal Issues. The Health and Human Services Commission shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more than \$1 million in federal revenue assumed in the appropriations act.
- c. Monthly Financial Reports. The Health and Human Services Commission shall submit the following information to the Legislative Budget Board and the Governor on a monthly basis:
  - (1) Information on appropriated, budgeted, expended, and projected funds and full-time-equivalents, by strategy and method of finance.
  - (2) Information on appropriated, budgeted, expended, and projected revenues, including program income, interest earnings, experience rebates, vendor drug rebates, Medicaid subrogation receipts, premium co-payments, and appropriated receipts used as match for federal funds.
  - (3) Narrative explanations of significant budget adjustments, ongoing budget issues, and other items as appropriate.
  - (4) Narrative and tabular explanation of adjustments made to translate actuarial forecasts of incurred claims into budgeted/expended amounts on a cash basis for the Medicaid program.
  - (5) Any other information requested by the Legislative Budget Board or the Governor.

The monthly financial reports shall be prepared in a format specified by the Legislative Budget Board.

46. **Medicaid Eligibility Determinations for Children.** It is the intent of the Legislature that the initial Medicaid certification be determined without a face-to-face interview. The Health and Human Services Commission may develop procedures that require an initial Medicaid certification to be conducted by a personal interview only when it is determined that there are no other reasonable means to verify the information needed to satisfactorily determine initial eligibility.

For recertification of Medicaid eligibility, the Health and Human Services Commission may develop procedures to determine the need for a personal interview, based on a system of objective, risk-based factors and conditions. Such procedures shall be intended to focus only on a targeted and limited number of recertifications for which there is a high probability that eligibility has not continued.

47. **Office for Prevention of Developmental Disabilities.** The Health and Human Services Commission shall expend, from funds otherwise appropriated to the commission by this Act, an amount not to exceed \$100,320 each fiscal year for salaries, benefits, travel expenses, and other support of the Office for Prevention of Developmental Disabilities.

## HEALTH AND HUMAN SERVICES COMMISSION (Continued)

### **48. Prohibition on Abortions.**

- a. It is the intent of the Legislature that no funds shall be used to pay the direct or indirect costs (including overhead, rent, phones and utilities) of abortion procedures provided by contractors of the commission.
- b. It is also the intent of the Legislature that no funds appropriated for Medicaid Family Planning, shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures.
- c. The commission shall include in its financial audit a review of the use of appropriated funds to ensure compliance with this section.

### **49. Family Planning.** Of funds appropriated for Medicaid Family Planning, no state funds may be used to dispense prescription drugs to minors without parental consent.

### **50. Medical Treatments.** The Health and Human Services Commission may distribute funds for medical, dental, psychological or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the department may modify, or suspend this rider to the extent necessary to prevent such loss of funds, provided that 45 day prior notification is provided to the Governor and the Legislative Budget Board.

### **51. Appropriations Reduction for Integrated Eligibility.** Pursuant to the Seventy-eighth Legislature, House Bill 2292, Section 2.06, regarding the implementation of call centers, the appropriations to the Health and Human Services Commission made above for eligibility determination are hereby reduced by \$14,471,184 in General Revenue and \$16,905,312 in Federal Funds (including \$2,238,156 in Temporary Assistance for Needy Families) for fiscal year 2006 and \$50,591,837 in General Revenue and \$58,951,746 in Federal Funds (including \$7,804,838 in Temporary Assistance for Needy Families) for fiscal year 2007 to reflect savings associated with the transition to integrated eligibility determination and the use of call centers.

The number of authorized FTE positions for the Health and Human Services Commission is hereby reduced by 829.0 in fiscal year 2006 and 3,980 in fiscal year 2007. FTE reductions may be made incrementally during the fiscal year, and the agency may exceed the appropriated FTE cap for the first two quarters of each year of the biennium. However, the agency shall report on a quarterly basis beginning December 1, 2005 to the Legislative Budget Board and the Governor on the actual and cumulative FTE reductions and savings achieved. The agency shall achieve an overall FTE reduction of 3,472 in fiscal year 2006 and 4,487 in fiscal year 2007. The commission may allocate no more than 7 percent of both the funding and FTE reductions to the Department of Aging and Disability Services for long term care functional eligibility determination.

### **52. Appropriation of Unexpended Balances - Revenue Bonds.** Any unexpended balances of Bond Proceeds - Revenue Bonds for the TIERS project from previous appropriations, estimated to be \$0, from fiscal year 2005 to fiscal year 2006 are hereby appropriated to the Health and Human Services Commission for the same purposes, contingent upon the commission providing to the Legislative Budget Board and the Governor a detailed description of the project and cost at least 45 days prior to the expenditure of such funds.

## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

- \* **53. Federal Payment for Drug Coverage for Dual Eligible Recipients.** The amount of funding appropriated above in Strategy B.2.3, Medicare Federal Give Back Provision, is made for monthly payments to the federal government, which will begin in January 2006 pursuant to the maintenance of effort requirement in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, for the provision of prescription drugs to clients who are dually eligible for Medicare and Medicaid.
- 54. Collection of Rebates on Physician Administered Prescription Drugs.** The Health and Human Services Commission is required to make necessary changes to the Medicaid Management Information System to collect rebates on single-source and multi-source physician administered drugs. Additional rebates collected on physician administered drugs are appropriated to the Commission for purposes consistent with the use of the Vendor Drug Rebates-Medicaid specified elsewhere in this Act.
- 55. Medicaid Quality Initiative Pilot Project.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission is authorized to establish a pilot program in one of the Primary Care Case Management service areas to test implementation of quality initiatives designed to reduce non-emergent use of the emergency room. The pilot program shall include public awareness efforts aimed at educating Medicaid clients about appropriate use of the emergency room and, at a minimum, one of the following: higher reimbursement to primary care providers who extend their routine office hours to include evenings and weekends; contracts with urgent care clinics to provide after-hour care; a case management program targeted to clients who use the emergency room for non-emergent conditions; an additional per member per month quality enhancement fee to primary care providers and/or an administrative entity for the purposes of implementing quality initiatives to reduce non-emergent use of the emergency room; or other option designed to reduce non-emergent use of the emergency room determined by the Commission. The Commission shall submit a workplan by September 1, 2005, to the Legislative Budget Board and the Governor that details the quality initiative(s) to be implemented by the Commission. The Commission shall conduct a study to test the effectiveness of the pilot program at reducing non-emergent use of the emergency room and Medicaid costs and submit a report to the Legislative Budget Board and the Governor by February 1, 2007.
- 56. Analysis of Multi-state Medicaid Drug Purchasing Pool.** Out of funds appropriated above in Strategy B.2.2, Medicaid Vendor Drug Program, the Health and Human Services Commission shall conduct an analysis to determine the cost-benefit and feasibility of establishing or joining a multi-state Medicaid drug purchasing pool. Analysis shall include the identification of other states with which pooling of Medicaid drug purchasing provides the greatest opportunity to achieve savings in Texas. The Commission shall report the results of this analysis to the Legislative Budget Board and the Governor not later than January 15, 2006.
- 57. CHIP Enrollment.** In the event that appropriations are insufficient to sustain enrollment at authorized eligibility and benefit levels in CHIP, it is the intent of the legislature that the Executive Commissioner transfer necessary funds to Goal C, CHIP Services, pursuant to the notification and approval requirements contained in other provisions, and request additional appropriation authority from the Legislative Budget Board prior to establishing a waiting list and suspending enrollment pursuant to Health and Safety Code § 62.101.
- 58. Patient Protection Activities.** Out of amounts appropriated above for the Health and Human Services Commission, there is hereby included one additional FTE to act as an ombudsman in matters relating to health and human services licensing agencies. This FTE shall be associated with the agency's 2-1-1 program.

\*Governor's Proclamation vetoed \$444.3 million in biennial General Revenue related to Strategy B.2.3, Medicare Federal Give Back.

## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

59. **Ambulance Services.** Out of funds appropriated above, the Health and Human Services Commission shall conduct a study of ambulance service rates in Texas and their equivalence to comparable Medicare fee schedules as well as rates paid in other states under Medicaid services. The Commission shall provide a copy of this report to the Legislative Budget Board and the Governor's Office no later than December 31, 2005.
60. **Medicaid Provider Reimbursement.** From funds appropriated above, the Health and Human Services Commission shall convene a workgroup to assist the Executive Commissioner in studying and making recommendations for changes in the hospital (both inpatient and outpatient services) reimbursement rate methodology. These recommendations shall include cost inflators, rebasing of the rates, and other alternatives, such as waivers that would combine Disproportionate Share Hospital (DSH), Graduate Medical Education (GME) and Upper Payment Limit (UPL) funds. Alternatives could be considered in determining hospital rates that would reward efficient providers, critical care providers, rural hospitals and special children hospitals, as well as incentives for hospitals to serve Medicaid clients and control medical cost. Workgroup members shall be composed of agency staff familiar with inpatient hospital rate methodology, external groups and representatives of the various hospital organizations. The Health and Human Services Commission shall prepare a report for consideration by the Eightieth Legislature. The report should contain options and the fiscal impact of the recommended changes to the hospital rate methodology submitted to the Legislative Budget Board and Governor by October 1, 2006.
61. **Study Regarding Uncompensated Care.** The Health and Human Services Commission shall conduct a study of the components and assumptions used to calculate Texas hospitals' uncompensated care amounts. The Commission shall provide a report to the 80th Legislature with recommendations for standardizing hospitals' uncompensated care amounts.
62. **Medicaid Reimbursement for Immunizations.** The Health and Human Services Commission, in conjunction with the Department of State Health Services, shall develop and implement a reimbursement fee schedule for its immunization program that compensates providers based on the number of antigens delivered to the patient. In no event shall the reimbursement for administering immunizations be less than the current program if it were based on an antigen delivered fee schedule. The Commission shall ensure that the change to an antigen-based fee schedule will not require higher overall reimbursement.
63. **Medicaid Support and Information Services.** Out of the funds appropriated above in Goal B: Medicaid, such funds as are necessary to implement the project are allocated for the Medicaid Help Line authorized under § 531.0213, Government Code. It is the intent of the Legislature that, under the authority of the Commissioner of Health and Human Services, the Health and Human Services Commission shall operate this service for Medicaid recipients enrolled in managed care plans.
64. **Unexpended Balance Authority for Eligibility Determination Services.** Any unexpended balances remaining from appropriations made in strategy A.1.2. Integrated Eligibility and Enrollment, for fiscal year 2006 may be carried over to fiscal year 2007.
65. **Additional Generic Substitution in the Medicaid Program.** Appropriations to the Health and Human Services Commission made above for the Medicaid Vendor Drug program have been reduced by \$1,934,841 in General Revenue Funds and \$3,026,290 in Federal Funds for fiscal year 2006, and \$1,934,841 in General Revenue Funds and \$3,026,290 in Federal Funds for fiscal year 2007 to reflect savings from the anticipated adoption of rule changes by the Board of Pharmacy to allow for generic substitution of drugs not evaluated in the Approved Drug Products with Therapeutic Equivalence Evaluations publication.
66. **Payment of August 2007 Payments for Medicaid Managed Care and Children's Health Insurance Program (CHIP).** Funds appropriated above include a reduction of \$52.7 million in General Revenue and \$134.6 million in All Funds out of Strategy B.1.4, Children and Medically Needy, for fiscal year 2007 and a reduction of \$5.0 million in General Revenue and \$17.9



## HEALTH AND HUMAN SERVICES COMMISSION

(Continued)

million in All Funds out of Strategy C.1.1, CHIP, for fiscal year 2007. The Health and Human Services Commission is authorized to defer the August 2007 payments for Medicaid Managed Care and CHIP until September of 2007.

- 67. Continued Medicaid Coverage of Certain Excluded Medicare Part D Drug Categories.** It is the intent of the Legislature that from funds appropriated above in Strategy B.2.2, Medicaid Vendor Drug Program, the Health and Human Services Commission shall continue to provide Medicaid coverage for certain categories of drugs not covered under the federal Medicare Part D program, under Section 1935(d)(2) of the Social Security Act, for full dual eligible clients. This coverage is limited to only those categories of excluded Medicare Part D drugs that continue to be eligible for federal Medicaid matching funds and that are currently covered under the Medicaid Vendor Drug Program (e.g. prescribed over-the-counter medications, barbiturates, and benzodiazepines).
- 68. Contingent Appropriation for Mental Health Services.** Out of the General Revenue amounts appropriated above for Medicaid mental health benefits in Strategy B.1.1, Aged and Disabled, \$17,314,248 in fiscal year 2006 and \$17,314,248 in fiscal year 2007 is contingent on revenue deposited in General Revenue Dedicated Account 5100, System Benefit Fund, exceeding the Comptroller of Public Accounts' Biennial Revenue Estimate by \$11,201,653 for fiscal year 2005, by \$10,629,577 for fiscal year 2006 and by \$12,797,266 for fiscal year 2007. The contingent appropriation shall be equal to the amounts generated above the Biennial Revenue Estimate for the referenced years, not to exceed \$34,628,496 for the biennium.
- 69. Dual Diagnosis Pilot.** From funds appropriated by this Act, the Health and Human Services Commission is authorized to utilize up to \$75,000 per year to provide a grant to a non-profit organization to develop a pilot project directed at enhancing the well being and care of citizens who are dually diagnosed with mental retardation and mental illness.
- The project will create and design a regional delivery system that ensures a dually diagnosed individual access to a full array of services and supports as needed. This system will include the clinical best practice model for successful outcomes. The system will include input and participation with local MHAs, local MRAs, community health centers, state mental retardation, and mental health facilities within the region, community providers, and advocates. The grantee is expected to actively seek supplemental funding sources to support the project. A report including project status, outcomes and additional funding secured will be submitted to the 80th Legislature.
- 70. Perinatal and Prenatal Care.** From funds appropriated above, the Health and Human Services Commission may expend funds to provide unborn child health benefit coverage under the Texas Title XXI Health Plan.
- 71. Women's Health Waiver.** Contingent upon enactment of Senate Bill 747 by the Seventy-ninth Legislature, Regular Session, or similar legislation relating to a women's health waiver, and out of the funds appropriated above, the Commission shall submit the necessary application for a waiver to the Centers for Medicare and Medicaid Services no later than December 31, 2005 for a five-year demonstration project through the medical assistance program under state law to expand access to preventative health and family planning services for adult women, between the ages of 18-64, who are living at or below 185 percent of the federal poverty level. It is the intent of the Legislature that any waiver obtained by the Commission shall not be used to provide abortion services or require appropriations of general revenue that exceed the cost savings to be realized by the waiver in the first two years of implementation and in future biennia.
- 72. Advanced Practice Nurse and Physician Assistant Reimbursement.** The Health and Human Services Commission shall adopt rules to provide that the Commission shall not pay for any Medicaid service provided by an Advanced Practice Nurse or Physician Assistant unless it is billed under the Advanced Practice Nurse's or Physician Assistant's provider number.

**HEALTH AND HUMAN SERVICES COMMISSION**  
(Continued)

- 73. Upper Payment Limit Reimbursement for Children's Hospitals.** Out of the funds appropriated above, the Health and Human Services Commission shall use the amounts of \$12,500,000 in fiscal year 2006 and \$12,500,000 in fiscal year 2007 in General Revenue to provide upper payment limit reimbursement to children's hospitals (having a separate provider number). The Health and Human Services Commission shall implement Medicaid upper payment limit reimbursement to cover the actual costs incurred in providing Medicaid inpatient and outpatient services and Graduate Medical Education at children's hospitals. In the event that appropriations are insufficient to cover these Medicaid costs in all children's hospitals, the Health and Human Services Commission shall prioritize this Medicaid upper payment limit reimbursement to reduce the Medicaid losses in any children's hospital with a Medicaid patient load that exceeds 60 percent of the hospital's total inpatient days.
- 74. Contingency for Senate Bill 747.** Contingent upon enactment of Senate Bill 747 by the Seventy-ninth Legislature, Regular Session, or similar legislation relating to a women's health waiver, and contingent upon federal approval of the waiver, the Health and Human Services Commission shall transfer \$20 million in General Revenue and \$30 million in Federal Funds in fiscal year 2007 from Strategy B.1.3, Pregnant Women, to Strategy B.1.4, Children and Medically Needy. It is the intent of the Legislature that the agency re-direct savings accrued from implementation of the bill in order to reduce the amount of non-General Revenue funding for the provision of Medicaid services to the Medically Needy. These General Revenue funds shall be expended as specified in this provision only in the event that the Commission receives a contribution of local matching funds for the Medically Needy program.

**RETIREMENT AND GROUP INSURANCE**

	For the Years Ending	
	August 31, 2006	August 31, 2007
<b>Method of Financing:</b>		
* General Revenue Fund, estimated	\$ 240,649,969	\$ 250,819,007
General Revenue Dedicated Accounts, estimated	4,097,014	4,260,010
* Federal Funds, estimated	167,964,844	176,873,989
Other Special State Funds, estimated	179,548	185,503
<b>Total, Method of Financing</b>	<b>\$ 412,891,375</b>	<b>\$ 432,138,509</b>
<b>Items of Appropriation:</b>		
<b>A. Goal: EMPLOYEES RETIREMENT SYSTEM</b>		
<b>A.1.1. Strategy: RETIREMENT CONTRIBUTIONS</b>	\$ 89,765,290	\$ 88,689,099
Retirement Contributions. Estimated.		
<b>A.1.2. Strategy: GROUP INSURANCE</b>	\$ 323,126,085	\$ 343,449,410
Group Insurance. Estimated.		
<b>Total, Goal A: EMPLOYEES RETIREMENT SYSTEM</b>	<b>\$ 412,891,375</b>	<b>\$ 432,138,509</b>
<b>Grand Total, RETIREMENT AND GROUP INSURANCE</b>	<b>\$ 412,891,375</b>	<b>\$ 432,138,509</b>

\*Modified by the enactment of House Bill 1863, Seventy-ninth Legislature, Regular Session (Article IX, Section 13.15), relating to the incentive program to waive participation in the Group Benefit Plan, which decreased group insurance out of General Revenue funds by \$837,833 in fiscal year 2006 and \$837,833 in fiscal year 2007 and decreased Federal Funds by \$873,833 in fiscal year 2006 and \$873,833 in fiscal year 2007.

SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY

	For the Years Ending	
	August 31, 2006	August 31, 2007
<b>Method of Financing:</b>		
General Revenue Fund, estimated	\$ 72,463,251	\$ 73,719,872
General Revenue Dedicated Accounts, estimated	1,255,809	1,231,681
Federal Funds, estimated	57,636,778	55,887,821
Other Special State Funds, estimated	82,080	80,468
<b>Total, Method of Financing</b>	<b>\$ 131,437,918</b>	<b>\$ 130,919,842</b>
<b>Items of Appropriation:</b>		
<b>A. Goal: SOCIAL SECURITY/BENEFIT REPLACEMENT</b>		
Comptroller - Social Security.		
<b>A.1.1. Strategy: STATE MATCH – EMPLOYER</b>	<b>\$ 112,061,734</b>	<b>\$ 112,512,466</b>
State Match – Employer. Estimated.		
<b>A.1.2. Strategy: BENEFIT REPLACEMENT PAY</b>	<b>\$ 19,376,184</b>	<b>\$ 18,407,376</b>
Benefit Replacement Pay. Estimated.		
<b>Total, Goal A: SOCIAL SECURITY/BENEFIT REPLACEMENT</b>	<b>\$ 131,437,918</b>	<b>\$ 130,919,842</b>
<b>Grand Total, SOCIAL SECURITY AND BENEFIT REPLACEMENT PAY</b>	<b>\$ 131,437,918</b>	<b>\$ 130,919,842</b>

BOND DEBT SERVICE PAYMENTS

	For the Years Ending	
	August 31, 2006	August 31, 2007
<b>Method of Financing:</b>		
General Revenue Fund	\$ 24,552,481	\$ 28,512,157
Federal Funds	2,362,984	2,361,154
<u>Other Funds</u>		
Current Fund Balance	12,000	18,000
MH Collections for Patient Support and Maintenance	112,122	112,122
MH Appropriated Receipts	15,828	15,828
MH Medicare Receipts	169,322	169,322
MR Collections for Patient Support and Maintenance	120,063	120,063
MR Appropriated Receipts	16,949	16,949
MR Medicare Receipts	19,686	19,686
Subtotal, Other Funds	\$ 465,970	\$ 471,970
<b>Total, Method of Financing</b>	<b>\$ 27,381,435</b>	<b>\$ 31,345,281</b>
<b>Items of Appropriation:</b>		
<b>A. Goal: FINANCE CAPITAL PROJECTS</b>		
<b>A.1.1. Strategy: BOND DEBT SERVICE</b>	<b>\$ 27,381,435</b>	<b>\$ 31,345,281</b>
& UB		
To Texas Public Finance Authority for Payment of Bond Debt Service.		
<b>Grand Total, BOND DEBT SERVICE PAYMENTS</b>	<b>\$ 27,381,435</b>	<b>\$ 31,345,281</b>

LEASE PAYMENTS

	For the Years Ending	
	August 31,	August 31,
	2006	2007
Method of Financing:		
General Revenue Fund	\$ 7,249,601	\$ 7,445,243
Total, Method of Financing	\$ 7,249,601	\$ 7,445,243
Items of Appropriation:		
A. Goal: FINANCE CAPITAL PROJECTS		
A.1.1. Strategy: LEASE PAYMENTS	\$ 7,249,601	\$ 7,445,243
		& UB
To TBPC for Payment to TPFA.		
Grand Total, LEASE PAYMENTS	\$ 7,249,601	\$ 7,445,243

SPECIAL PROVISIONS RELATING TO  
ALL HEALTH AND HUMAN SERVICES AGENCIES

Sec. 2. Night Shift and Weekend Differential.

- a. Clinical and Support Personnel. The Department of State Health Services and the Department of Aging and Disability Services are authorized to pay an additional night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel who work the 3 p.m. to 11 p.m. or the 11 p.m. to 7 a.m. shift or its equivalent. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.
- b. Data Processing Personnel. The Department of State Health Services, the Department of Aging and Disability Services, the Department of Family and Protective Services, the Health and Human Services Commission, and the Health and Human Services Consolidated Print Shop may pay an evening or night shift salary differential not to exceed 15 percent of the monthly pay rate to personnel in data processing or printing operations who work the 3:00 p.m. to 11:00 p.m. shift or 11:00 p.m. to 7:00 a.m. shift, or their equivalents. A weekend shift salary differential not to exceed 5 percent of the monthly pay rate may be paid to persons who work weekend shifts. The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working weekend, evening, or night shifts.

Sec. 3. Services to Employees. Out of the appropriations authorized, the Department of State Health Services and Department of Aging and Disability Services may expend funds for the provision of first aid or other minor medical attention for employees injured in the course and scope of their employment and for the repair and/or replacement of employees' items of personal property which are damaged or destroyed in the course and scope of their employment so long as such items are medically prescribed equipment. Expenditures for such equipment may not exceed \$500 per employee per incident.

Sec. 4. Charges to Employees and Guests. Collections for services rendered employees and guests shall be made by a deduction from the recipient's salary or by cash payment in advance. Such deductions and other receipts for these services from employees and guests are hereby appropriated to the facility. Refunds of excess collections shall be made from the appropriation to which the collection was deposited.

As compensation for services rendered and notwithstanding any other provision in this Act, any facility under the jurisdiction of the Department of State Health Services or the Department of Aging and Disability Services may provide free meals for food service personnel and volunteer workers, and may furnish housing facilities, meals, and laundry service in exchange for services rendered by interns, chaplains in training, and student nurses.

**SPECIAL PROVISIONS RELATING TO  
ALL HEALTH AND HUMAN SERVICES AGENCIES**  
(Continued)

**Sec. 5. New or Additional Facilities.** No funds appropriated may be spent for constructing new or additional facilities or for the purchase of sites without specific authorization of the Legislature. All facilities shall be kept where they are located by the Legislature, and all new buildings to be constructed shall be on these sites unless otherwise specifically authorized by the Legislature. For the purpose of this subsection, specific authorization may be granted either by basic statute or special authorization in this Act.

**Sec. 6. Revolving Petty Cash Funds.** Each facility under the jurisdiction of the Department of State Health Services or the Department of Aging and Disability Services may establish a petty cash fund to be maintained in cash or at a local bank. The petty cash fund, not to exceed \$25,000, shall be used only for making emergency payments and small purchases which will increase the efficiency of the operation; for payments to client workers on a regular payday basis; for use as change funds in specific locations where financial activities of the agency require a change fund; and for supplies and equipment purchases for sheltered workshops.

**Sec. 7. Disposition of State Funds Available Resulting from Federal Match Ratio Change.** In the event the Federal Medical Assistance Percentage (FMAP) should be greater than 60.66 percent for federal fiscal year 2006 and 61.55 percent for federal fiscal year 2007, or the Enhanced Federal Medical Assistance Percentage (EFMAP) should be greater than 72.46 percent for federal fiscal year 2006 and 73.09 percent for federal fiscal year 2007, the Health and Human Services Commission and the health and human services agencies listed in Chapter 531, Government Code, shall be authorized to expend the state funds thereby made available due to the greater FMAP or EFMAP only to the extent authorized in writing by the Legislative Budget Board and Governor. A copy of such authorization shall be provided to the Comptroller of Public Accounts to assist in monitoring compliance with this provision.

General Revenue appropriations made to health and human services agencies in association with projected more favorable FMAP and related program percentages for fiscal year 2007 are hereby reduced as follows for a total of \$185,600,000:

Department of Aging and Disability Services - \$52,900,000 in General Revenue Funds  
Health and Human Services Commission - \$129,800,000 in General Revenue Funds  
Department of Family and Protective Services - \$2,900,000 in General Revenue Funds.

Federal Funds appropriations to health and human services agencies in association with projected more favorable FMAP and related program percentages for fiscal year 2007 are hereby increased as follows for a total of \$185,600,000:

Department of Aging and Disability Services - \$52,900,000 in Federal Funds  
Health and Human Services Commission - \$129,800,000 in Federal Funds  
Department of Family and Protective Services - \$2,900,000 in Federal Funds.

The Health and Human Services Commission, in cooperation with the respective agencies, shall identify the strategies to be adjusted by amount by September 1, 2005 and shall forward schedules identifying the adjustments to the Legislative Budget Board, Governor, and Comptroller of Public Accounts by March 1, 2006.

**Sec. 8. Costs Related to Co-location of Services and to Inter-agency Sharing of Support Functions and Services.** To provide an efficient and effective method of paying common support costs related to co-location of human services as required pursuant to the provision of Chapter 531 of the Government Code, and/or costs of performing support functions for multiple agencies, funds may be transferred between agencies for payment of such costs and agencies are authorized to deposit those funds into separate accounts for the purpose of paying shared costs including, but not limited to, postage, occupancy costs, equipment repair, telephones and telephone system costs, office printing costs, supplies, freight and transport costs, electronic data processing systems, or other business functions. Each agency shall be responsible for quarterly allocations of these costs to the original strategies.

**SPECIAL PROVISIONS RELATING TO  
ALL HEALTH AND HUMAN SERVICES AGENCIES**  
(Continued)

**Sec. 9. Contracts for Purchase of Client Services.** No funds appropriated to an agency covered by this article may be utilized for contracts for the purchase of program-related client services unless:

- a. such contracts include clearly defined goals, outputs, and measurable outcomes which directly relate to program objectives;
- b. such contracts include clearly defined sanctions or penalties for noncompliance with contract terms and conditions;
- c. such contracts specify the accounting, reporting, and auditing requirements applicable to funds received under the contract;
- d. the agency has implemented a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contract, including a determination of whether performance objectives have been achieved; and
- e. the agency has implemented a formal program to obtain and evaluate program costs information to ensure that all costs, including administrative costs, are reasonable and necessary to achieve program objectives.

**Sec. 10. Attorney General Representation.** The Attorney General and the respective head of the Health and Human Services Commission or a health and human services agency listed in Chapter 531, Government Code, are hereby authorized to jointly select one or more Assistant Attorneys General to be assigned to the respective agency.

**Sec. 11. Medicaid Managed Care Contracts.** The Health and Human Services Commission and the health and human services agencies listed in Chapter 531, Government Code, shall include and award value added points in the scoring of applications submitted for Medicaid managed care contracts. At a minimum, the following considerations are to be considered as items for value added points:

- a. Continuity of care for the Medicaid client;
- b. Graduate Medical Education as part of the delivery system;
- c. Amount of charity care provided by the party applying for a contract award; and
- d. Inclusion of prompt pay provisions for provider payments.

**Sec. 12. Children's Medicaid Review.** The Health and Human Services Commission and other agencies determining Medicaid eligibility shall implement procedures to automatically review children's eligibility for Medicaid when their families become ineligible for Temporary Assistance for Needy Families (TANF) and to ensure that their Medicaid coverage continues uninterrupted if they are eligible. The Health and Human Services Commission and other Medicaid operating agencies shall cooperate to ensure that the child continues to receive medical assistance without a gap in eligibility if the review required by this rider indicates that the child is eligible for medical assistance on another basis. The Health and Human Services Commission and other Medicaid operating agencies shall make expenditures, out of funds appropriated above, in the Medicaid program for children determined to be eligible for the Medicaid program. No child shall receive Medicaid unless they are eligible because of their income level.

**Sec. 13. Limitations on Transfer Authority.**

- a. Notwithstanding agency specific limitations on transfer authority in this Article or the general transfer provisions of this Act, the Executive Commissioner of the Health and Human Services Commission is authorized to make the following transfers subject to the prior approval of the Legislative Budget Board and the Governor:

**SPECIAL PROVISIONS RELATING TO  
ALL HEALTH AND HUMAN SERVICES AGENCIES**  
(Continued)

- (1) A transfer of funds appropriated for non-capital budget items between agencies, and between the strategies of an agency, for the purpose of achieving the efficient and effective operation of the Medicaid program and for the purposes outlined in Section 531.0271, Government Code;
  - (2) A transfer of funds appropriated for capital budget items between agencies for existing capital budget purposes;
  - (3) A transfer of funds appropriated for capital budget items from a capital budget item to a non-capital item at the agency or from one agency to another agency; and
  - (4) A transfer of full-time-equivalent positions between agencies, provided there is no net increase in the total number of full-time equivalent positions authorized for those agencies in this Act.
- b. No one transfer action between agencies may exceed 10 percent of the total yearly appropriation amount of the agency from which funds are being transferred.
- c. The Executive Commissioner of the Health and Human Services Commission shall notify the Legislative Budget Board and the Governor of a proposed transfer no later than 10 business days prior to the transfer action. Notification for purposes of this section is defined as receipt by the Legislative Budget Board and the Governor of a signed letter with the following information:
- (1) The source of funds to be transferred and any change in federal funds related to the proposed transfer,
  - (2) The agency and the strategy from which the transfer is to be made and the agency and the strategy to which the transfer is to be made,
  - (3) The need that was to be served through the original appropriation and the basis for the decrease in need,
  - (4) The need that is to be served in the strategy receiving the funds and the basis for selecting the strategy,
  - (5) Any potential impact on client populations and the affected agencies' ability to operate existing programs, and
  - (6) The purpose established in Chapter 531, Government Code, to be achieved by the transfer.
- d. A proposed transfer shall be considered to be approved if neither the Legislative Budget Board nor the Governor issues a written disapproval of the proposal not later than:
- (1) The 10th business day after the date the staff of the Legislative Budget Board concludes its review of the proposed transfer and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and
  - (2) The 10th business day after the receipt of the proposed transfer by the Governor.
- e. The Executive Commissioner of the Health and Human Services Commission shall report to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts, each approved transfer made pursuant to this provision within 14 days of the transfer action. The report shall include information regarding affected strategies; method of finance; performance measure changes; and full-time equivalent positions.

**SPECIAL PROVISIONS RELATING TO  
ALL HEALTH AND HUMAN SERVICES AGENCIES**  
(Continued)

- f. For the purposes of this Section, in addition to the Health and Human Services Commission, 'agency' means a health and human services agency listed in Chapter 531, Government Code, and 'agencies' means the health and human services agencies listed in Chapter 531, Government Code.

**Sec. 14. Payment for Compensatory Time.** It is expressly provided that the Department of State Health Services and the Department of Aging and Disability Services, to the extent permitted by law, may pay FLSA exempt and FLSA non-exempt employees of state mental health and mental retardation facilities on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.

**Sec. 15. Access to Health Care Services.** It is the intent of the Legislature that all agencies administering or responsible for any part of the medical assistance program under Chapter 32, Human Resources Code or listed in Chapter 531, Government Code, work together to maximize the number of providers, including providers of pediatric care, primary care, nursing home care, and home health services to promote access to quality health care services for all enrollees.

**Sec. 16. Leases.** No funds appropriated under this Act may be expended by the Health and Human Services Commission or health and human services agencies listed in Chapter 531, Government Code, for leased office or building space where the agency determines that the leased space is no longer needed due to 1) the implementation of changes that result in a reduction in staff, 2) consolidations of office or building space to achieve cost efficiencies, or 3) a change in client demographics resulting in the need to relocate staff to other locations. Prior to lease cancellation the agency will:

- a. provide written notice to the lessor at least 180 days prior to the date of lease cancellation, and
- b. notify the Texas Building and Procurement Commission that space is available for use by another state tenant.

**Sec. 17. Limitation on Use of Tobacco Funds.**

- a. State agencies that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release in this Article, including distributions from funds, shall submit a budget by November 1 of each year of the biennium to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.
- b. Authorized managers of permanent funds and endowments whose earnings are appropriated to the Department of State Health Services in this article shall provide a copy of year-end financial reports to the Legislative Budget Board and the Governor by November 1 of each year of the biennium. These reports should include, at a minimum, an income statement and balance sheet for each fund, and a summary of the investment return of the fund during the preceding fiscal year.
- c. Agencies directly appropriated tobacco settlement receipts, tobacco settlement receipts match for Medicaid, and tobacco settlement receipts match for CHIP in this Article shall only expend such funds for direct client services and for activities, such as eligibility determination and indirect administration related to Medicaid and CHIP as set forth in a federally approved cost allocation plan, that support direct client services.



**SPECIAL PROVISIONS RELATING TO  
ALL HEALTH AND HUMAN SERVICES AGENCIES**  
(Continued)

\* **Sec. 18. Medicaid Informational Rider.** This rider is informational only and does not make any appropriations. The Health and Human Services Commission is the single state agency for Title XIX, the Medical Assistance Program (Medicaid) in Texas. Other agencies receive appropriations for and responsibility for the operations of various Medicaid programs. Appropriations made elsewhere in this Act, related to the Medicaid program, include the following:

<u>Agency Name</u>	<u>2006</u>	<u>2007</u>
Department of Aging and Disability Services	\$4,767,363,199	\$4,669,961,700
Department of Assistive and Rehabilitative Services	49,354,395	49,104,734
Department of Family and Protective Services	17,752,523	18,409,931
Health and Human Services Commission	13,244,264,107	13,195,144,323
Department of State Health Services	212,183,090	212,182,454
Article II, Special Provisions	(92,850,000)	(184,700,000)
Department of Transportation	28,334,139	29,910,578
<b>Total, Medical Assistance Program</b>	<b>\$18,226,401,453</b>	<b>\$17,990,013,720</b>
<b>Method of Financing:</b>		
General Revenue for Medicaid	\$6,392,411,022	\$6,210,354,618
Tobacco Settlement Receipts for Medicaid	277,324,407	211,260,612
Subtotal, General Revenue Funds	6,669,735,429	6,421,615,230
General Revenue - Dedicated Federal Funds	80,768,209 11,049,156,325	82,619,669 11,070,779,742
Medicaid Subrogation Receipts	14,757,948	14,757,948
Appropriated Receipts--Match for Medicaid	373,382,660	359,962,504
Fund No. 6--Match for Medicaid	38,334,139	39,910,578
Economic Stabilization Fund--Match for Medicaid	266,743	368,049
Subtotal, Other Funds	426,741,490	414,999,079
<b>Total, All Funds</b>	<b>\$18,226,401,453</b>	<b>\$17,990,013,720</b>

\*Updated to reflect incorporation of Article IX appropriations; Governor vetoes, including \$444.3 million in biennial General Revenue for Medicare Federal Give Back; non-enactment of a nursing facility Quality Assurance Fee, which totaled \$438 million in General Revenue-Dedicated funds and \$1.1 billion in All Funds; and enactment of House Bill 10, which appropriates Other Funds (Economic Stabilization Fund).

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**Sec. 19. Caseload and Expenditure Reporting Requirements.**

- a. **Quarterly Forecasts.** The Health and Human Services Commission, in cooperation with operating agencies, shall submit to the Legislative Budget Board and the Governor, at the end of each fiscal quarter, reports projecting anticipated caseload and prescription drug data and related expenditure amounts for the 36 month period beginning with the first month after the reports are due, for the following programs:
- (1) Medicaid (acute and long-term care);
  - (2) Medicare;
  - (3) Children's Health Insurance Program (CHIP) and related programs;
  - (4) Temporary Assistance for Needy Families;
  - (5) Children with Special Health Care Needs;
  - (6) Foster care and adoption subsidies;
  - (7) Early Childhood Intervention Services; and
  - (8) Other programs upon request of the Legislative Budget Board or the Governor.
- The reports shall be prepared in a format specified by the Legislative Budget Board.
- b. **Monthly Data.** The Health and Human Services Commission, in cooperation with operating agencies, shall submit to the Legislative Budget Board and the Governor, at the end of each month, caseload and prescription drug data and related expenditure amounts for the programs identified in subsection (a) for at least the preceding 36 months. The data shall be submitted in a format specified by the Legislative Budget Board.
- c. Each report submitted to the Legislative Budget Board and the Governor pursuant to this provision must be accompanied by supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained the report and any other supporting material specified by the Legislative Budget Board and the Governor.
- d. Each report submitted pursuant to this provision must contain a certification by the person submitting the report that the information provided is true and correct based upon information and belief together with supporting documentation.
- e. The Comptroller of Public Accounts shall not allow the expenditure of funds appropriated by this Act to the Health and Human Services Commission if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Health and Human Services Commission is not in compliance with this provision.

In the event that the forecasting function is transferred to another health and human services agency listed in Chapter 531, Government Code, the requirement for the Health and Human Services Commission to provide quarterly forecasts under subsection (a), monthly data under subsection (b), or supporting documentation under subsection (c) shall apply to the other health and human services agency.

**Sec. 20. Rate Analysis and Reporting Requirements.**

- a. No later than September 1 each fiscal year, the Executive Commissioner of the Health and Human Services Commission shall submit the following information in writing to the Legislative Budget Board, the Governor, and the State Auditor:
- (1) A list of Medicaid, CHIP, foster care, and adoption subsidy rates in effect on September 1 of the fiscal year and rates in effect for the prior fiscal year. The list shall be prepared in a format specified by the Legislative Budget Board.

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- (2) A schedule and description of the rate-setting process that will be followed for the Medicaid, CHIP, foster care, and adoption subsidy programs during the fiscal year. The schedule and description shall be prepared in a format specified by the Office of the State Auditor.
- b. The Executive Commissioner of the Health and Human Services Commission shall notify the Legislative Budget Board, the Governor, and the State Auditor in writing at least 45 days prior to any action to increase rates for the Medicaid, CHIP, foster care, and adoption subsidy programs that would have an annual fiscal impact greater than \$1 million in general revenue-related funds or TANF Federal Funds based on the most current caseload forecast. The notification shall be provided in a format specified by the Legislative Budget Board.
- c. The Legislative Budget Board, the Governor, or the State Auditor may request the Executive Commissioner of the Health and Human Services Commission to provide 45-day prior notification of intent to increase any other rate regardless of the fiscal impact.
- d. Notifications submitted pursuant to subsection (b) and subsection (c) must contain a certification by the Executive Commissioner and the Chief Financial Officer of the Health and Human Services Commission that the information provided is true and correct based upon information and belief together with supporting documentation. Additionally, the Executive Commissioner and the Chief Financial Officer of the Health and Human Services Commission must either indicate that the proposed action is within biennial appropriated/available funding or estimate the amounts (including General Revenue, Temporary Assistance for Needy Families, and All Funds) by which the proposed action will exceed biennial appropriated/available funding.
- e. The Office of the State Auditor may review the fiscal impact information provided under subsection (b) and subsection (c) along with supporting documentation, supporting records, and justification for the rate increase provided by the Health and Human Services Commission and report back to the Legislative Budget Board and the Governor before the rate is implemented by the Health and Human Services Commission or operating agency.
- f. The Comptroller of Public Accounts shall not allow the expenditure of funds for a rate increase if the Legislative Budget Board and the Governor certify to the Comptroller of Public Accounts that the Health and Human Services Commission is not in compliance with this provision.
- g. In the event that authority to set rates is transferred to another health and human services agency listed in Chapter 531, Government Code, the requirement for the Executive Commissioner of the Health and Human Services Commission to provide a list of rates, schedule, and description of the rate-setting process under subsection (a), a notification under subsection (b), a certification under subsection (c), or supporting documentation and justification under subsection (d) shall apply to the other health and human services agency.

**Sec. 21. Audit of Medicaid Funds.** All transactions involving the transfer or investment of any funds of the Title XIX Medicaid program, held in trust or reserve for the state by any non-governmental entity shall be subject to audit by the State Auditor's Office.

**Sec. 22. Mental Health (MH) and Mental Retardation (MR) Collections for Patient Support and Maintenance.**

- a. **Definitions.** For the purposes of this section and appropriation authority for the Department of State Health Services and the Department of Aging and Disability Services: (1) MH Collections for Patient Support and Maintenance are defined as reimbursements received for health and other services provided to individuals in state hospitals from third

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party payers including insurance companies, clients, relatives, trusts and estates, and government retirement benefit programs including the U.S. Civil Service, Federal Railroad, State, Social Security, Teacher and Veteran's Administration and (2) MR Collections for Patient Support and Maintenance are defined as reimbursements received for health and other services provided to individuals in state operated intermediate care facilities for the mentally retarded (ICF-MR) and state schools from third party payers including insurance companies, clients, relatives, trusts and estates, and government retirement benefit programs including the U.S. Civil Service, Federal Railroad, State, Social Security, Teacher and Veteran's Administration.

- b. **Classification for depositing revenues and reporting of expenditures.** For the purpose of revenue classification for depositing and expending certain collections related to the support and maintenance of patients in state mental health and mental retardation facilities, the following Revenue Object Codes as defined by the Comptroller of Public Accounts shall be used for recording collections, reporting expenditures, and requesting legislative appropriations by the Department of State Health Services and the Department of Aging and Disability Services:
- (1) Revenue Object Codes 3595, 3606, 3614, and 3618 as defined by the Comptroller of Public Accounts shall be used to record collections and deposits from the above defined sources into the General Revenue Fund
    - (i) 3595: Medical Assistance Cost Recovery
    - (ii) 3606: Support and Maintenance of Patients
    - (iii) 3614: Counseling, Care and Treatment of Outpatients
    - (iv) 3618: Welfare/MHMR Service Fees (Child Support)
  - (2) Automated Budget and Evaluation System of Texas (ABEST) Method of Financing Code 8031- MH Collections for Patient Support and Maintenance, and ABEST Method of Financing Code 8095 - MR Collections for Patient Support and Maintenance, shall be used to report expenditures and request legislative appropriations from collections/deposits related to the support and maintenance of patients in state mental health and mental retardation facilities made to Revenue Object Codes 3595, 3606, 3614, and 3618.
- c. **Appropriation authority and accounting for expenditures of MH and MR Collections for Patient Support and Maintenance.** The Department of State Health Services and the Department of Aging and Disability Services are authorized to receive and expend MH and MR Collections for Patient Support and Maintenance as a first source, and general revenue shall be used as a second source, to support mental health state hospitals and state operated intermediate care facilities for the mentally retarded (ICF-MR). In the event that these revenues should be greater than the amounts identified in the method of financing above as MH and MR Collections for Patient Support and Maintenance, the departments are hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MH and MR Collections for Patient Support and Maintenance is subject to the following requirements:
- (1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose;
  - (2) In the event general revenue has been expended prior to the receipt of MH and MR Collections for Patient Support and Maintenance, the departments shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MH and MR Collections for Patient Support and Maintenance; and

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- (3) The departments shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts, and Governor on MH and MR Collections for Patient Support and Maintenance, expenditures and anticipated revenues and balances.
- d. **Responsibility for proportionate share of indirect costs and benefits.** The Department of State Health Services and the Department of Aging and Disability Services shall ensure that MH and MR Collections for Patient Support and Maintenance fund their proportionate share of benefits and statewide allocated indirect costs as required and directed in Article IX of this act.
- e. **Exclusive appropriation authority.** The preceding subsections of this rider shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

**Sec. 23. Alternative Delivery Model.** From funds appropriated in Article II, the Health and Human Services Commission is authorized to expend state and/or federal funds, if available, through the Department of State Health Services and other enterprise agencies to conduct a pilot project using an alternative service delivery model in Dallas County that uses a school-based youth and family center with existing primary and behavioral health programs. The targeted population is high-risk students. In addition to treatment, the program shall provide information, education, early intervention and care. In conducting the pilot project, the Health and Human Services Commission shall not negatively affect existing programs.

**Sec. 24. Funds for Medicaid.** For the purposes of this section and appropriation authority for the Medicaid mental health and mental retardation program responsibilities of the Department of State Health Services and the Department of Aging and Disability Services, the following subsections provide governance relating to appropriate use, classification and expenditure of funds.

- a. **General Revenue Match for Medicaid.** ABEST Method of Financing Code 758 - GR Match for Medicaid shall be used to report general revenue expenditures and request general revenue appropriations for the state's share of Medicaid payments for the following Medicaid mental health and mental retardation services:
  - (1) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are privately operated through contractual arrangements between private providers and the Department of Aging and Disability Services;
  - (2) Community-based Intermediate Care Facilities for the Mentally Retarded (ICF-MR) that are operated by the Department of Aging and Disability Services;
  - (3) Home and Community-based Services (HCS) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the Department of Aging and Disability Services;
  - (4) Home and Community-based Services - Omnibus Budget Reconciliation Act of 1981 (HCS-O) authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the Department of Aging and Disability Services;
  - (5) Texas Home Living services authorized by a 1915(c) federal waiver and provided through contractual arrangements between private providers and the Department of Aging and Disability Services;
  - (6) Mental Retardation Local Authority (MRLA) waiver services;
  - (7) Mental health services provided through contracts with Behavioral Health Organizations as a component of the NorthSTAR Project; and

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- (8) Salaries and operating costs related to direct program administration and indirect administration of the departments.
- b. **General Revenue Certified as Match for Medicaid.** The Department of State Health Services and the Department of Aging and Disability Services shall use ABEST Method of Financing code 8032 - General Revenue Certified Match for Medicaid to identify general revenue funds requested and reported as expended for the purpose of drawing federal funds and to document that State funds have been spent for Medicaid mental health and mental retardation services and administrative expenditures for the following services:
  - (1) Intermediate care facilities for the mentally retarded that are operated by the State and known as "state schools";
  - (2) Services delivered in mental health state hospitals operated by the Department of State Health Services including inpatient services for clients under the age of 21 and services that qualify under the federally approved Institutions for Mental Diseases (IMD) option for clients over the age of 65;
  - (3) Rehabilitation Services as approved in the State Medicaid Plan which are provided by Mental Health Authorities and Mental Retardation Authorities;
  - (4) Service Coordination Services as approved in the State Medicaid Plan provided by Mental Health Authorities and Mental Retardation Authorities; and
  - (5) Medicaid Administrative Claims as approved in the State Medicaid Plan which are based on certain activities of Mental Health Authorities and Mental Retardation Authorities.
- c. **Reporting requirements related to General Revenue Matching Funds for Medicaid Mental Health and Mental Retardation Services.** The Department of State Health Services and the Department of Aging and Disability Services shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the expenditures of General Revenue for Medicaid federal matching purposes by the method of financing codes identified above and the amounts of local, non-profit expenditures certified as state match for Medicaid federal funds by the departments for services provided by Mental Health Authorities and Mental Retardation Authorities.
- d. **Medicaid Federal Funds.** The Department of State Health Services and the Department of Aging and Disability Services shall report their expenditures and request legislative appropriations for federal Medicaid matching funds for client services, program administration and agency indirect administration. Automated Budgeting and Evaluation System of Texas (ABEST) Method of Financing Code (MOF) 555 and Medicaid CFDA 93.778 shall be used for the following:
  - (1) Federal funds drawn from the U.S. Centers for Medicare and Medicaid Services (CMS) using general revenue funds classified as General Revenue Match for Medicaid (ABEST MOF Code 758), General Revenue Certified as Match for Medicaid (ABEST MOF Code 8032), Tobacco Settlement Receipts Match for Medicaid (ABEST MOF Code 8024) or Tobacco Receipts Certified as Match for Medicaid (ABEST MOF Code 8023);
  - (2) Federal funds drawn from CMS using the departments' certification of local, non-profit expenditures made by the Mental Health Authorities and Mental Retardation Authorities on behalf of Medicaid-eligible individuals;

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- (3) Federal funds received from CMS for services rendered to certain Medicaid-eligible individuals over the age of 65 by federally recognized Institutions for Mental Diseases (IMD Medicaid option) based on billings from mental health state hospitals operated by the Department of State Health Services to the claims processing agent for the Texas Medicaid program in its capacity as the State's fiscal agent for certain Medicaid payments; and
  - (4) Federal funds received from CMS for general Medicaid health services including the Comprehensive Care Program for children based on billings from the state mental health and mental retardation facilities operated by the Department of State Health Services and the Department of Aging and Disability Services to the claims processing agent for the Texas Medicaid program in its capacity as the State's fiscal agent for certain Medicaid payments.
- e. **Appropriation authority and accounting for Federal Funds for Medicaid Mental Health and Mental Retardation Services.** Amounts defined as Medicaid Federal Funds shall be used as a first source, and general revenue which was not used as matching funds shall not be used to fund Medicaid eligible services. In the event that these revenues should be greater than the amounts included above in Federal Funds for mental health and mental retardation services for the Department of State Health Services and the Department of Aging and Disability Services, the departments are hereby appropriated and authorized to expend these federal funds made available, subject to the following requirements:
  - (1) Amounts made available shall be expended prior to utilization of any general revenue made available for the same purpose;
  - (2) In the event general revenue has been expended prior to the receipt of Medicaid Federal Funds, the departments shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to not have an excess balance of Medicaid Federal Funds; and
  - (3) The departments shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on the amounts of Medicaid Federal Funds drawn and expended.
- f. **Responsibility for proportionate share of indirect costs and benefits.** Nothing in this provision shall exempt the departments from provisions of Article IX of this Act which apply equally to direct recoveries of benefits and indirect costs and to amounts recovered through an approved rate structure for services provided. Specifically, the departments do not have appropriation authority for Medicaid federal funds claimed on behalf of services provided by other agencies, including:
  - (1) Health and retirement services for active and retired Department of State Health Services and Department of Aging and Disability Services employees paid by the Employee Retirement System;
  - (2) Social Security payments, salary increases authorized in General Provisions, and Benefit Replacement Pay for Department of State Health Services and Department of Aging and Disability Services employees paid by the Comptroller of Public Accounts;
  - (3) Debt service amounts paid on behalf of the Department of State Health Services and Department of Aging and Disability Services by the Texas Public Finance Authority; and

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- (4) Indirect cost allocation plans negotiated with CMS for the purposes of the State-wide Cost Allocation Plan (SWCAP).
- g. **Exclusive Appropriation Authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Medicaid mental health and mental retardation services Federal Fund receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

**Sec. 25. Mental Health (MH) and Mental Retardation (MR) Appropriated Receipts.**

- a. **Definition.** For the purposes of this section and appropriation authority for the Department of State Health Services and the Department of Aging and Disability Services, MH Appropriated Receipts are defined as revenues from state mental health facilities deposited by the Department of State Health Services into the following Revenue Object Codes as defined by the Comptroller of Public Accounts and MR Appropriated Receipts are defined as revenues from state mental retardation facilities deposited by the Department of Aging and Disability Services into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:
  - (1) 3628: Dormitory, Cafeteria, and Merchandise Sales
  - (2) 3719: Fees for Copies or Filing of Records
  - (3) 3722: Conference, Seminar, and Training Registration Fees
  - (4) 3738: Grants-Cities/Counties
  - (5) 3739: Grants-Other Political Subdivisions
  - (6) 3740: Grants/Donations-Operating/Capital Grants and Contributions
  - (7) 3750: Sale of Furniture and Equipment
  - (8) 3752: Sale of Publication/Advertising (General)
  - (9) 3754: Other Surplus/Salvaged Property/Material Sales
  - (10) 3767: Supplies/Equipment/Services/Federal/Other (General)
  - (11) 3769: Forfeitures
  - (12) 3773: Insurance & Damages
  - (13) 3802: Reimbursements-Third Party
  - (14) 3806: Rental of Housing to State Employees
- b. **Reporting.** ABEST Method of Financing Code 8033 - MH Appropriated Receipts, and ABEST Method of Financing Code 8096 - MR Appropriated Receipts, shall be used to report expenditures and request legislative appropriations for state mental health and mental retardation facilities from the Revenue Object Codes identified above.
- c. **Appropriation authority and accounting for MH and MR Appropriated Receipts.** Amounts defined as MH and MR Appropriated Receipts shall be deposited into the General Revenue Fund according to the identified Revenue Object Codes above. The Department of State Health Services and the Department of Aging and Disability Services are authorized to receive and expend MH and MR Appropriated Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MH and MR Appropriated Receipts, the departments are hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MH and MR Appropriated Receipts is subject to the following requirements:
  - (1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide prior notification to the Legislative Budget Board and the Governor;



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- (2) In the event general revenue has been expended prior to the receipt of MH and MR Appropriated Receipts as defined above, the departments shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MH and MR Appropriated Receipts; and
  - (3) The departments shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MH and MR Appropriated Receipts collections by Revenue Object Code, expenditures and anticipated revenues and balances.
- d. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for Appropriated Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

**Sec. 26. Texas Capital Trust Fund Account No. 543.**

- a. **Definition.** For the purposes of this section and appropriation authority, general revenue dedicated funds referred to as Texas Capital Trust Fund Account No. 543 (Chapter 2201, Government Code) are defined as revenues deposited by the Department of State Health Services and the Department of Aging and Disability Services into the following Revenue Object Codes as defined by the Comptroller of Public Accounts:
  - (1) 3340: Land Easements
  - (2) 3341: Grazing Lease Rental
  - (3) 3344: Sand, Shell, Gravel and Timber Sales
  - (4) 3349: Land Sales
  - (5) 3746: Rental of Lands and Buildings
  - (6) 3747: Rental - Other
  - (7) 3851: Interest on State Deposits
- b. **Appropriation authority and accounting for Texas Capital Trust Fund Account No. 543.** For the purpose of revenue classification for expending and depositing certain collections related to the Texas Capital Trust Fund Account No. 543, ABEST Method of Finance Code 543 shall be used to report expenditures and request legislative appropriations from collections/deposits made to Revenue Object Codes 3340, 3341, 3344, 3349, 3746, 3747, and 3851 by the departments. Appropriations of the Texas Capital Trust Fund Account No. 543 are limited to the amounts identified above.

**Sec. 27. Mental Health (MH) and Mental Retardation (MR) Medicare Receipts.**

- a. For the purposes of this section and appropriation authority, the Department of State Health Services shall use ABEST Method of Financing Code 8034 as an Other Fund, and the Department of Aging and Disability Services shall use ABEST Method of Financing Code 8097 as an Other Fund, to report expenditures and request legislative appropriations from Medicare funds deposited in Revenue Object Code 3634 that are collected by the departments as payment for:
  - (1) hospital, physician and other services rendered to Medicare-eligible individuals in state mental health and mental retardation facilities operated by the departments; and
  - (2) cost settlements for services rendered in state mental health and mental retardation facilities operated by the department as authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

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b. **Appropriation authority and accounting for MH and MR Medicare Receipts.**

Amounts defined as MH and MR Medicare Receipts shall be deposited into the General Revenue Fund according to the identified Comptroller Revenue Object Code above. The Department of State Health Services and the Department of Aging and Disability Services are authorized to receive and expend MH and MR Medicare Receipts as a first source, and general revenue shall be used as a second source. In the event that these revenues should be greater than the amounts identified in the method of financing above as MH and MR Medicare Receipts, the departments are hereby appropriated and authorized to expend these state funds hereby made available. The expenditure of MH and MR Medicare Receipts is subject to the following requirements:

- (1) Amounts available shall be expended prior to utilization of any general revenue available for the same purpose. In the event general revenue must be expended, the agency will provide notification to the Legislative Budget Board and the Governor;
- (2) In the event general revenue has been expended prior to the receipt of MH and MR Medicare Receipts as defined above, the departments shall reimburse general revenue upon receipt of the revenue. This process shall be completed on a monthly basis in order to maintain a minimum balance on hand in excess MH and MR Medicare Receipts; and
- (3) The departments shall report monthly to the Legislative Budget Board, Comptroller of Public Accounts and Governor on MH and MR Medicare Receipts collections by Comptroller Revenue Object Code, expenditures and anticipated revenues and balances.

c. **Exclusive appropriation authority.** The preceding subsections of this provision shall be the exclusive appropriation authority for MH and MR Medicare Receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act.

**Sec. 28. Cash Flow Contingency.** Contingent upon the receipt of MH or MR Medicare Receipts, MH or MR Collections for Patient Support and Maintenance, and of federal funds allocated from the Medicaid Program for mental health and mental retardation services, the Department of State Health Services and the Department of Aging and Disability Services may temporarily utilize additional general revenue funds, pending receipt of reimbursement, in an amount not to exceed the anticipated reimbursement, in each year of the biennium. The general revenue amounts utilized above the general revenue method of finance must be repaid upon receipt of reimbursement and shall be utilized only for the purpose of temporary cash flow needs. These transfers and repayments shall be credited to the fiscal year being reimbursed and shall be in accordance with procedures established by the Comptroller. All transfers of the method of finance shall be reported by the departments to the Legislative Budget Board and the Governor.

**Sec. 29. Funding Equity Among Local Mental Health and Mental Retardation Authorities.** It is the intent of the Legislature that the Department of State Health Services and the Department of Aging and Disability Services shall implement a long-term plan to achieve equity in state funding allocations among local mental health and mental retardation authorities. The plan shall be implemented from fiscal years 2006-2013. The goal of the plan shall be to achieve equity to the greatest extent possible by fiscal year 2013, however, any funding reductions to a local authority for the purpose of achieving equity may not exceed 5 percent of allocated general revenue in a fiscal year. The plan shall also provide for improving funding equity to be a priority in distributing any new state or federal funds that may become available for allocation to community centers.

In assessing the equity of funding the departments may use alternatives other than basing equity calculations solely on the total population served by each local authority. Additional factors, such as incidence of poverty, may be considered if they help to provide a better estimate of the need for state funded mental health or mental retardation services in the areas served by each local authority. The

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departments shall submit the long-term equity plan to the Office of the Governor and the Legislative Budget Board by December 31, 2005. The departments shall include in legislative appropriations requests a table showing how implementation of the equity plan will affect projected allocations to community centers at the baseline current services funding level.

**Sec. 30. Community Mental Health and Mental Retardation Centers.** If the Department of State Health Services or the Department of Aging and Disability Services determine that a community mental health and mental retardation center is unable or unwilling to fulfill its contractual obligations to provide services or to exercise adequate control over expenditures and assets, the departments may take necessary steps, including the appointment of a management team as authorized by Health and Safety Code, §§ 534.038-534.040, to protect the funds appropriated under this Act and ensure the continued provision of services.

**Sec. 31. Medicaid and Medicare Collections.** The Department of State Health Services and the Department of Aging and Disability Services shall maximize reimbursement of Medicare and Medicaid funding for all eligible individuals and for all expenditures at the mental health state hospitals, state schools, and state centers.

**Sec. 32. Third Party Reimbursement for Community Mental Health and Mental Retardation Centers.** It is the intent of the Legislature that community mental health and mental retardation centers maximize third-party reimbursement from Medicaid and the Children's Health Insurance Program for all eligible individuals.

**Sec. 33. Barber and Cosmetology Services.** The Department of State Health Services and the Department of Aging and Disability Services may charge fees for barber and cosmetology services in state mental health and mental retardation facilities provided the fees charged are consistent with an individual's ability to pay. These fees are appropriated above to the departments to offset the cost of providing barber and cosmetology services. The departments may also use patient benefit funds to offset the cost of these services for indigent clients.

**Sec. 34. Surplus Property.** In order to conserve funds appropriated, surplus personal property may be transferred from one state mental health or mental retardation facility to another with or without reimbursement. The Department of State Health Services and the Department of Aging and Disability Services may transfer surplus personal property from a state mental health or mental retardation facility to a community MHMR center with or without reimbursement. Surplus personal property belonging to any state mental health or mental retardation facility may be sold; provided, however, that such transfers or sales shall be made under the same procedure as provided by Government Code, Chapter 2175.

**Sec. 35. Road Construction and Maintenance at State Facilities.** Notwithstanding any other provision in law, the Texas Department of Transportation shall construct, repair, and maintain roads in and providing access to and from Department of State Health Services and Department of Aging and Disability Services mental health and mental retardation facilities.

**Sec. 36. Collection of Fees From the Copyright of Training Materials and Patent of Technologies Developed.** The Health and Human Services Commission is hereby authorized to collect the following fees relating to mental health and mental retardation program activities:

- a. Fees from the sale of written training materials, video tapes, audio tapes and in the form of electronic media, such materials having been developed in part or whole by the commission; and
- b. Licensing fees collected by the department in exchange for allowing individuals and companies to use any patented technology developed, in part or in whole, by the commission.

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The commission is authorized to license the use of any copyright-protected material, trademark, trade secrets, and any patented technology relating to mental health or mental retardation program activities. The authorization provided under this provision does not include any mineral royalties. Fees collected in the sale of training materials described under (a) above may be in excess of the actual reproduction cost incurred by the commission and shall be used to recoup the costs associated with developing the training materials. Fifty percent of the fees collected in licensing of any patented technology shall be devoted to further research and development of technologies reasonably believed to be of assistance to priority populations. The remaining 50 percent shall be deposited to the General Revenue Fund.

**Sec. 37. Employee Meals.** Notwithstanding any other provision in this Act, the Department of State Health Services and the Department of Aging and Disability Services may provide free meals to employees of state mental health and mental retardation facilities who are required to eat meals with clients.

**Sec. 38. Maximum Security Salaries.** As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for the Department of State Health Services and the Department of Aging and Disability Services to pay employees working in designated Maximum Security Units or designated specialized Behavioral Management Units of state mental health and mental retardation facilities up to a 6.8 percent increase over those salary rates provided by the General Provisions.

**Sec. 39. Fire Prevention and Safety.** In instances in which regular employees of state mental health and mental retardation facilities located in remote areas are assigned extra duties in fire prevention programs, the following payments are authorized in addition to the salary rates stipulated by the General Provisions of this Act relating to the position classifications and assigned salary ranges:

Fire Chief	\$ 75 per month
Assistant Fire Chief	\$ 65 per month
Fire Brigade Member	\$ 50 per month

**Sec. 40. Patient or Client Assistance.** Subject to the approval of rules and regulations of the Department of State Health Services and the Department of Aging and Disability Services, patients or clients in any state mental health or mental retardation facility who are assisting in the operation of the facility as part of their therapy, may receive compensation out of any funds available to the respective facilities.

**Sec. 41. Language Interpreter Services.** In order to compensate employees of state mental health and mental retardation facilities for assuming the duty of providing interpretation services to consumers whose primary language is not English, facilities of the Department of State Health Services and the Department of Aging and Disability Services, upon written authorization of the Commissioner or his/her designee, may, from funds appropriated above, increase the salary of classified employees by an amount equal to a one step increase, or 3.4 percent, so long as the resulting salary rate does not exceed the rate designated as the maximum rate for the applicable salary group. This increase shall be granted only for the regular provision of interpreter services above and beyond the regular duties of the position, and shall be removed when these services are, for whatever reason, no longer provided by the employee or when they are no longer needed by the facility. Salary increases provided for this purpose are not merit increases and shall not affect an employee's eligibility to receive a merit increase. This authorization also includes employees who provide interpretation services in American Sign Language.

**Sec. 42. State-Owned Housing.** The Superintendent, Medical Director, Assistant Superintendent for Programs, and Director of Plant Maintenance at each state mental health and mental retardation facility are authorized to live in state-owned housing at a rate determined by the Department of State Health Services or the Department of Aging and Disability Services. Other department employees

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(Continued)

may live in state-owned housing as set forth in Article IX, State Owned Housing - Recover Housing Costs, of this Act. Fees for employee housing are appropriated above to be used for maintaining employee housing.

**Sec. 43. Professional Trainees and Interns.** The Department of State Health Services and the Department of Aging and Disability Services are authorized to compensate professional trainees or interns in recognized educational programs related to the provision of mental health or mental retardation services, radiation control, or any critical health care profession as determined by the Health and Human Services Executive Commissioner at any salary rate not to exceed the following amounts:

Psychiatrist Interns	\$3,412 per month
Physician Interns	\$2,925 per month
Psychologist Trainees	\$2,749 per month
Registered Nurse Trainees	\$2,295 per month
Chaplain Interns	\$2,161 per month
Physical, Occupational, or Registered Therapist Trainees	\$2,036 per month
Social Worker Trainees	\$1,921 per month
Medical Technologist Trainees	\$1,921 per month
Licensed Vocational Nurse Trainees	\$1,716 per month
Health Physicist Interns	\$2,161 per month
Health Physicist Trainees	\$1,621 per month

**Sec. 44. Limit on Spending New Generation Medication Funds.**

- a. It is the intent of the Legislature that the Department of State Health Services and the Department of Aging and Disability Services utilize funds appropriated for New Generation Medications for no other purpose than the provision of New Generation Medications. This limitation shall apply to funds appropriated for New Generation Medications in the following strategies at the Department of State Health Services: B.2.1, Mental Health Services for Adults, B.2.2, Mental Health Services for Children, B.2.3, NorthSTAR Behavioral Health Waiver, and C.1.3, Mental Health State Hospitals; and in the following strategy at the Department of Aging and Disability Services: A.8.1, MR State Schools Services.
- b. Notwithstanding the limitation described above, the department shall allow a local mental health or mental retardation authority to expend an amount not to exceed 15 percent of its New Generation Medication funds on support programs that are related to the administration of New Generation Medications, provided, however, that an authority using its New Generation Medication funds for support services must meet its contracted performance target for persons served with New Generation Medications and that the availability of New Generation Medication funds to expend on services must result from cost efficiencies achieved by the authority.
- c. To the extent that the local authorities are able to obtain private sector donations of medications for clients and/or financial contributions for the purchase of new generation medications in Strategies B.2.1 and B.2.2, and they meet or exceed their contracted performance targets for persons served with New Generation Medications, they may expend up to an equivalent amount from these strategies on direct services to clients.

**Sec. 45. Purchasing of Medication.** The Department of State Health Services and the Department of Aging and Disability Services shall require local mental health and mental retardation authorities to document their effort to make needed medications available to consumers at the lowest possible prices and to utilize the most cost effective medication purchasing arrangement available. It is the intent of

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(Continued)

the Legislature that the Department of State Health Services and the Department of Aging and Disability Services shall provide technical assistance to community centers as necessary to maximize efficiency.

**Sec. 46. Donations from Individuals, Community Groups and Volunteer Services Councils.** It is expressly provided that the Department of State Health Services and the Department of Aging and Disability Services, in accordance with § 533.001 of the Health and Safety Code and to the extent permitted by law, may accept donations for permanent improvements at the state mental health facilities and the state mental retardation facilities from individuals, community groups and local Volunteer Services Councils. Such funds are not subject to limitations on capital budget expenditures as contained in Article IX or any other similar provisions in this Act. Permanent improvements are defined as an improvement to a state facility that involves construction, building system(s), and/or landscaping.

**Sec. 47. Contracted Medical Services.** It is the intent of the Legislature that the Department of State Health Services (DSHS) and the Department of Aging and Disability Services (DADS) will not pay more than the approved reimbursement rate set by the Health and Human Services Commission for hospital services provided to an indigent DSHS or DADS consumer in a private or public hospital.

**Sec. 48. Efficiencies at Local Mental Health and Mental Retardation Authorities.** It is the intent of the Legislature that the local mental health and mental retardation authorities that receive allocations from the funds appropriated above to the Department of Aging and Disability Services and the Department of State Health Services shall maximize the dollars available to provide services by minimizing overhead and administrative costs and achieving purchasing efficiencies. Among the strategies that should be considered in achieving this objective are consolidations among local authorities and partnering among local authorities on administrative, purchasing, or service delivery functions where such partnering may eliminate redundancies or promote economies of scale. Local mental health and mental retardation authorities shall also maximize third party billing opportunities, including Medicare and Medicaid.

It is the Legislature's intent that local authorities not expend funds appropriated to the Department of Aging and Disability Services in Strategy A.4.3, MR Community Services, or Strategy A.4.4, MR Community Services Residential, to supplement the rate-based payments they receive to fund their costs as providers of waiver or ICF-MR services.

**Sec. 49. Appropriation Reduction for the Provision of Services to the Medicaid Aged/Blind/Disabled Population.** Appropriations to the Health and Human Services Commission made elsewhere in this Act are hereby reduced by \$36,500,000 in General Revenue Match for Medicaid and an estimated \$56,350,000 in Federal Funds for fiscal year 2006, and by \$73,000,000 in General Revenue Match for Medicaid, and an estimated \$111,700,000 in Federal Funds for fiscal year 2007. In order to achieve the level of savings anticipated by this provision, it is the intent of the Legislature that the Commission utilize cost-effective models to better manage the care of the aged/blind/disabled Medicaid population including primary care case management (PCCM), HMO carve-out, or integrated care management (ICM).

It is specifically provided, however, that funds appropriated for the provision of services to the Medicaid aged/blind/disabled population may not be expended to expand the use of any capitated managed care model which would eliminate existing federal matching payments to local public hospitals under federal upper payment limit (UPL) regulations. The implementation or expansion of managed care models is further subject to the following provisions:

- a. The Commission shall develop an equitable allocation of the appropriation reductions made herein to each of the service delivery areas listed below and shall establish an appropriate share of the savings target to each managed care organization in that service delivery area—Bexar, Dallas, El Paso, Harris, Lubbock, Nueces, Tarrant, and Travis.

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(Continued)

- b. As authorized by law, the Commission shall develop an Integrated Care Management model for the provision of medical and health care services to the aged/blind/disabled population in the Dallas service delivery area. Subject to competitive procurement requirements and any necessary federal approval, the Commission shall implement the model by September 1, 2006 or as soon thereafter as practicable. Not later than August 1, 2006, the Commission shall establish an actuarial estimate of the savings expected to be achieved by the ICM model. To the extent necessary, the Commission is directed to adjust payments to hospitals, physicians, and home health providers in the service delivery area to ensure that the savings target is achieved.
- c. In any service delivery area where a capitated managed care model for the aged/blind/disabled population is utilized (HMO carve-out), not later than August 1, 2006 the Commission shall establish an actuarial estimate of the apportioned share of savings expected to be achieved by each managed care organization. To the extent necessary, the Commission is directed to adjust payments for administration, risk, and profit to ensure that the savings target is achieved.
- d. The Commission may utilize the Primary Care Case Management model for the aged/blind/disabled population in a service delivery area only if the actuarial estimate of savings achieves the savings target for that area.
- e. It is the intent of the Legislature that the Commission consult with public hospital officials and appropriate county officials in each service delivery area in determining the managed care model to be utilized in that area.
- f. Contingent upon federal approval of any necessary waiver changes, the Commission may expend funds appropriated to the provision of services to the Medicaid aged/blind/disabled population to convert the Harris County STAR+PLUS model to an HMO carve-out model as soon as practicable.
- g. Medicaid funds appropriated to the Department of Aging and Disability Services and the Health and Human Services Commission may be transferred between the agencies during the 2006-07 biennium to support the implementation of models of care under sections (b), (c), and (d). The Commission shall notify the Legislative Budget Board and the Governor of the amounts to be transferred for this purpose. The notification shall indicate the impact to performance measures at both agencies. The Commission shall provide a final notification update November 1, 2006 on amounts to be transferred and the impact to performance measures.

**Sec. 50. Alternatives to Abortion.** From funds appropriated in Strategy B.1.3, Family Planning Services, Department of State Health Services, \$2,500,000 each year of TANF federal funds initially designated to be converted to the Title XX Social Services Block Grant is transferred to the Health and Human Services Commission to be expended as TANF federal funds through grant or contract. The Health and Human Services Commission shall expend these funds, consistent with federal and state law, to implement a statewide program for women seeking alternatives to abortion focused on pregnancy support services that promote childbirth.

**Sec. 51. Equal Opportunity Principles in Contracting for Social Services.** The legislature intends that each state agency that contracts with or makes a grant to a nongovernmental entity to provide social services, using money appropriated by this Act, enter the contract or make the grant in a manner that is consistent with the equal opportunity principles and safeguards provided by federal law under 42 U.S.C. § 604a.

**Sec. 52. Transfers of Funds for Consolidated Support Services.** The Health and Human Services Commission (HHSC) is authorized to return funding at the Commission to the appropriate HHS agency for support functions and programs consolidated at the Commission. HHSC shall notify the Legislative Budget Board, Governor, and the Comptroller prior to making the transfers.

**SPECIAL PROVISIONS RELATING TO  
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(Continued)

- a. Funds related to consolidated programs and support services shall be returned to the Department of Aging and Disability Services (DADS), the Department of Assistive and Rehabilitative Services (DARS), the Department of Family and Protective Services (DFPS), and the Department of State Health Services (DSHS). These funds will be matched with available federal funds and expended under interagency memoranda between HHSC and each agency.
- b. Transfer limitations elsewhere in this Act do not apply to this provision.
- c. By July 1 preceding the start of each fiscal year, the agencies of Article II shall provide a report by strategy that reduces funding at HHSC and increases funding by the same amount at DADS, DARS, DFPS, and DSHS.
- d. The transfers shall be made prior to the start of the fiscal year.
- e. The loss of funds at HHSC shall be replaced by increased interagency contracts in the method of finance.
- f. This transfer shall not result in a change in total funding in Article II.

**Sec. 53. Exemption of Federal Funds from Article IX, Capital Budget Provisions.** To comply with the legislative intent to maximize the use of federal funds and to fulfill grant requirements for the receipt and expenditure of federal funds, the Department of Aging and Disability Services, the Department of Assistive and Rehabilitative Services, the Department of Family and Protective Services, the Department of State Health Services, and the Health and Human Services Commission are hereby exempted from the Capital Budget Rider Provisions contained in Article IX of this Act, "Limitations on Expenditures -- Capital Budget," when federal funds are received in excess of amounts identified in the agency's Capital Budget Rider and when such funds are designated for the purchase of capital items. The agency shall notify the Legislative Budget Board and the Governor upon receipt of such federal funds, including the amount received and the items to be purchased, and shall not expend such funds without approval of the Legislative Budget Board and the Governor. The proposed expenditure shall be considered to be approved if neither the Legislative Budget Board nor the Governor issues a written disapproval not later than:

- a. the 10th business day after the date the staff of the Legislative Budget Board concludes its review of the proposed expenditures and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and
- b. the 10th business day after the receipt of the proposed expenditures by the Governor.

- \* **Sec. 54. Contingency Reduction for House Bill 10: Department of Aging and Disability Services.** Contingent upon enactment of House Bill 10 by the Seventy-ninth Legislature, Regular Session, or similar legislation that appropriates approximately \$62,200,000 in General Revenue and \$85,800,000 in Federal Funds to provide reimbursement for nursing facility services and community center services delivered in August 2005, the Department of Aging and Disability Services' appropriations in the following strategies are hereby decreased for fiscal year 2006 by the amounts indicated: Strategy A.6.1, Nursing Facility Payments, \$56,700,000 in General Revenue Funds and \$85,800,000 in Federal Funds; A.4.3. MR Community Services, \$5,300,000 in General Revenue Funds; and A.4.4. MR Community Services Residential, \$200,000 in General Revenue Funds.

\*Funding adjustments related to House Bill 10 are incorporated within agency bill pattern.



**SPECIAL PROVISIONS RELATING TO  
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(Continued)

- \* **Sec. 55. Contingency Reduction for House Bill 10: Department of Family and Protective Services (CPS Reform).** Contingent upon enactment of House Bill 10 by the Seventy-ninth Legislature, Regular Session, or similar legislation that appropriates approximately \$200,039,844 in General Revenue Funds or Economic Stabilization Funds (Other Funds) and approximately \$248,100,549 in All Funds for child protective services reform, the appropriations made above to the Department of Family and Protective Services in Strategy C.1.1, CPS Reform, are hereby reduced by \$200,039,844 in General Revenue Funds and \$248,100,549 in All Funds.

\*Funding adjustments related to House Bill 10 are incorporated within agency bill pattern.

**RECAPITULATION - ARTICLE II  
HEALTH AND HUMAN SERVICES  
(General Revenue)\***

	For the Years Ending	
	August 31, 2006	August 31, 2007
Department of Aging and Disability Services	\$ 1,932,003,787	\$ 1,906,029,770
Department of Assistive and Rehabilitative Services	80,692,358	81,256,430
Department of Family and Protective Services	88,044,274	85,125,161
State Health Services, Department of	817,427,187	819,696,821
Rider Appropriations	13,500,000	0
Contingency Appropriations	1,585,333	1,681,737
Total	832,512,520	821,378,558
Health and Human Services Commission	5,265,149,019	5,341,889,042
Rider Appropriations	(14,471,184)	(50,591,837)
Contingency Appropriations	(5,626,901)	(11,934,280)
Total	5,245,050,934	5,279,362,925
Subtotal, Health and Human Services	\$ 8,178,303,873	\$ 8,173,152,844
Retirement and Group Insurance	240,649,969	250,819,007
Social Security and Benefit Replacement Pay	72,463,251	73,719,872
Subtotal, Employee Benefits	\$ 313,113,220	\$ 324,538,879
Bond Debt Service Payments	24,552,481	28,512,157
Lease Payments	7,249,601	7,445,243
Subtotal, Debt Service	\$ 31,802,082	\$ 35,957,400
Article II, Special Provisions, Rider Appropriations	(36,500,000)	(258,600,000)
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	\$ 8,486,719,175	\$ 8,275,049,123

\*Senate Bill 1 Conference Committee Report (Seventy-ninth Regular Session) appropriation figures have been adjusted to incorporate certain Article IX appropriations into relevant agency bill patterns, as well as Governor’s vetoes, House Bill 10 (Seventy-ninth Regular Session), House Bill 1 (Seventy-ninth First Called Session), House Bill 11 (Seventy-ninth Second Called Session) and other miscellaneous bills. For specific adjustments, please consult agency bill patterns.

**RECAPITULATION - ARTICLE II  
HEALTH AND HUMAN SERVICES  
(General Revenue - Dedicated)\***

	For the Years Ending	
	August 31, 2006	August 31, 2007
Department of Aging and Disability Services	\$ 80,449,337	\$ 82,300,799
Department of Assistive and Rehabilitative Services	12,531,660	12,531,661
Department of Family and Protective Services	3,012,139	3,012,139
State Health Services, Department of	280,669,087	282,226,538
Contingency Appropriations	731,151	688,653
Total	281,400,238	282,915,191
Health and Human Services Commission	3,069,480	3,069,480
Subtotal, Health and Human Services	\$ 380,462,854	\$ 383,829,270
Retirement and Group Insurance	4,097,014	4,260,010
Social Security and Benefit Replacement Pay	1,255,809	1,231,681
Subtotal, Employee Benefits	\$ 5,352,823	\$ 5,491,691
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	\$ 385,815,677	\$ 389,320,961

\*Senate Bill 1 Conference Committee Report (Seventy-ninth Regular Session) appropriation figures have been adjusted to incorporate certain Article IX appropriations into relevant agency bill patterns, as well as Governor’s vetoes, House Bill 10 (Seventy-ninth Regular Session), House Bill 1 (Seventy-ninth First Called Session), House Bill 11 (Seventy-ninth Second Called Session) and other miscellaneous bills. For specific adjustments, please consult agency bill patterns.

**RECAPITULATION - ARTICLE II  
HEALTH AND HUMAN SERVICES  
(Federal Funds)\***

	For the Years Ending	
	August 31, 2006	August 31, 2007
Department of Aging and Disability Services	\$ 3,089,523,279	\$ 3,025,764,661
Department of Assistive and Rehabilitative Services	360,034,487	367,847,133
Department of Family and Protective Services	656,849,982	654,270,756
State Health Services, Department of	1,140,859,123	1,140,563,709
Health and Human Services Commission	9,078,939,948	9,185,134,552
Rider Appropriations	(16,905,312)	(58,951,746)
Contingency Appropriations	(8,682,720)	(18,256,157)
Total	<u>9,053,351,916</u>	<u>9,107,926,649</u>
Subtotal, Health and Human Services	\$ 14,300,618,787	\$ 14,296,372,908
Retirement and Group Insurance	167,964,844	176,873,989
Social Security and Benefit Replacement Pay	<u>57,636,778</u>	<u>55,887,821</u>
Subtotal, Employee Benefits	\$ 225,601,622	\$ 232,761,810
Bond Debt Service Payments	<u>2,362,984</u>	<u>2,361,154</u>
Subtotal, Debt Service	\$ 2,362,984	\$ 2,361,154
Article II, Special Provisions, Rider Appropriations	(56,350,000)	73,900,000
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	<u>\$ 14,472,233,393</u>	<u>\$ 14,605,395,872</u>

\*Senate Bill 1 Conference Committee Report (Seventy-ninth Regular Session) appropriation figures have been adjusted to incorporate certain Article IX appropriations into relevant agency bill patterns, as well as Governor’s vetoes, House Bill 10 (Seventy-ninth Regular Session), House Bill 1 (Seventy-ninth First Called Session), House Bill 11 (Seventy-ninth Second Called Session) and other miscellaneous bills. For specific adjustments, please consult agency bill patterns.

**RECAPITULATION - ARTICLE II  
HEALTH AND HUMAN SERVICES  
(Other Funds)\***

	For the Years Ending	
	August 31, 2006	August 31, 2007
Department of Aging and Disability Services	\$ 52,598,894	\$ 64,065,435
Department of Assistive and Rehabilitative Services	19,295,523	19,318,851
Department of Family and Protective Services	284,237,006	317,843,950
State Health Services, Department of	134,739,083	116,005,711
Health and Human Services Commission	445,287,756	431,379,960
Subtotal, Health and Human Services	\$ 936,158,262	\$ 948,613,907
Retirement and Group Insurance	179,548	185,503
Social Security and Benefit Replacement Pay	82,080	80,468
Subtotal, Employee Benefits	\$ 261,628	\$ 265,971
Bond Debt Service Payments	465,970	471,970
Subtotal, Debt Service	\$ 465,970	\$ 471,970
Less Interagency Contracts	\$ 130,285,900	\$ 129,928,634
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	\$ 806,599,960	\$ 819,423,214

\*Senate Bill 1 Conference Committee Report (Seventy-ninth Regular Session) appropriation figures have been adjusted to incorporate certain Article IX appropriations into relevant agency bill patterns, as well as Governor’s vetoes, House Bill 10 (Seventy-ninth Regular Session), House Bill 1 (Seventy-ninth First Called Session), House Bill 11 (Seventy-ninth Second Called Session) and other miscellaneous bills. For specific adjustments, please consult agency bill patterns.

**RECAPITULATION - ARTICLE II  
HEALTH AND HUMAN SERVICES  
(All Funds)\***

	For the Years Ending	
	August 31, 2006	August 31, 2007
Department of Aging and Disability Services	\$ 5,154,575,297	\$ 5,078,160,665
Department of Assistive and Rehabilitative Services	472,554,028	480,954,075
Department of Family and Protective Services	1,032,143,401	1,060,252,006
State Health Services, Department of	2,373,694,480	2,358,492,779
Rider Appropriations	13,500,000	0
Contingency Appropriations	2,316,484	2,370,390
Total	2,389,510,964	2,360,863,169
Health and Human Services Commission	14,792,446,203	14,961,473,034
Rider Appropriations	(31,376,496)	(109,543,583)
Contingency Appropriations	(14,309,621)	(30,190,437)
Total	14,746,760,086	14,821,739,014
Subtotal, Health and Human Services	\$ 23,795,543,776	\$ 23,801,968,929
Retirement and Group Insurance	412,891,375	432,138,509
Social Security and Benefit Replacement Pay	131,437,918	130,919,842
Subtotal, Employee Benefits	\$ 544,329,293	\$ 563,058,351
Bond Debt Service Payments	27,381,435	31,345,281
Lease Payments	7,249,601	7,445,243
Subtotal, Debt Service	\$ 34,631,036	\$ 38,790,524
Article II, Special Provisions, Rider Appropriations	(92,850,000)	(184,700,000)
Less Interagency Contracts	\$ 130,285,900	\$ 129,928,634
TOTAL, ARTICLE II - HEALTH AND HUMAN SERVICES	\$ 24,151,368,205	\$ 24,089,189,170
Number of Full-Time-Equivalents (FTE)	47,569.6	45,560.6

\*Senate Bill 1 Conference Committee Report (Seventy-ninth Regular Session) appropriation figures have been adjusted to incorporate certain Article IX appropriations into relevant agency bill patterns, as well as Governor's vetoes, House Bill 10 (Seventy-ninth Regular Session), House Bill 1 (Seventy-ninth First Called Session), House Bill 11 (Seventy-ninth Second Called Session) and other miscellaneous bills. For specific adjustments, please consult agency bill patterns.